

## SENATE

WEDNESDAY, MAY 23, 1962

The Senate met at 12 o'clock meridian, and was called to order by Hon. BENJAMIN A. SMITH II, a Senator from the State of Massachusetts.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal Spirit, with bowed heads and reverent hearts we pause in the midst of the day's demanding duties, lifting up our souls to Thee, unto whom all hearts are open, and from whom no secrets are hid. Even in the turmoil of these days in which our lives are enmeshed, we need Thee; every hour we need Thee.

Burdened by many anxieties and responsibilities, tempted to be cynical because of human evil, of faint hope because of human folly, and fretted by small problems, we are in danger of being blown off our course by the social storms that are sweeping the earth. We pray for ourselves, while the tempest still is high, that we may not increase the dissensions and divisions of these times by our own ill temper, but that we may widen every area of good will our influence can reach, as we help to heal the open sores of the earth in this great and challenging day.

In the Redeemer's name we ask it. Amen.

## DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D.C., May 23, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. BENJAMIN A. SMITH II, a Senator from the State of Massachusetts, to perform the duties of the Chair during my absence.

CARL HAYDEN,  
President pro tempore.

Mr. SMITH of Massachusetts thereupon took the chair as Acting President pro tempore.

## THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 22, 1962, was dispensed with.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

## EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Paul E. McNamara, of New York, to be collector

of customs for customs collection district No. 8, with headquarters at Rochester, N.Y., which was referred to the Committee on Finance.

## MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Acting President pro tempore:

S. 1915. An act for the relief of Orsolina Iallonardo, Mrs. Chow Chuiha, and Giuseppe Aniello;

S. 2270. An act to amend section 105 of title 28, United States Code, so as to transfer certain counties from the western division of the western district of Missouri to the Saint Joseph Division of such district, and for other purposes;

S. 2806. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended;

H.R. 1349. An act for the relief of Fong Chun Hong;

H.R. 1372. An act for the relief of Rocco Cambrea;

H.R. 1435. An act for the relief of Jacinto Machado Ormonde;

H.R. 1533. An act for the relief of Lee Kyong Ja;

H.R. 1588. An act for the relief of Fong Kai Dong;

H.R. 1604. An act for the relief of Spencer E. Hewitt;

H.R. 1650. An act for the relief of Irene Kemeny;

H.R. 1697. An act for the relief of Viola Borwick Warblis;

H.R. 1701. An act for the relief of Mrs. Kikue Yamamoto Leghorn and her minor son, Yuichiro Yamamoto Leghorn;

H.R. 1703. An act for the relief of Maximo B. Avila;

H.R. 1918. An act for the relief of John D. Morton;

H.R. 2687. An act for the relief of Miss Helen Pappiano;

H.R. 2838. An act to exempt from taxation certain property of the Army Distaff Foundation;

H.R. 3005. An act for the relief of Sister Mary Aurelia (Chiara Di Gesu);

H.R. 3148. An act for the relief of Maddalena Haas;

H.R. 3696. An act for the relief of Gertrude M. Kaplan;

H.R. 4365. An act for the relief of Sp5c. Daniel J. Hawthorne, Jr.;

H.R. 4380. An act to quiet title and possession to an unconfirmed and located private land claim in the State of Louisiana;

H.R. 4563. An act for the relief of Abraham Gelb;

H.R. 5610. An act for the relief of Pierino Renzo Picchione;

H.R. 5686. An act for the relief of Mrs. Willie Mae Brown;

H.R. 5689. An act for the relief of Felicja Saulevicz;

H.R. 6344. An act for the relief of Mon (Fred) Young;

H.R. 6464. An act for the relief of Cecil D. Rose;

H.R. 6772. An act for the relief of Hendrikus Zoetmuler (Harry Combres);

H.R. 6773. An act to repeal the act of August 14, 1957 (Private Law 85-160);

H.R. 7477. An act to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects;

H.R. 7671. An act for the relief of Louanna L. Lels;

H.R. 7752. An act to amend the District of Columbia Alcoholic Beverage Control Act, as amended, and for other purposes;

H.R. 7777. An act for the relief of Elisabetta Piccioni;

H.R. 8030. An act to amend the act admitting the State of Washington into the Union in order to authorize the use of funds from the disposition of certain lands for the construction of State charitable, educational, penal, or reformatory institutions;

H.R. 8195. An act for the relief of Ronald L. Mutter;

H.R. 8482. An act for the relief of Paul J. Pericle;

H.R. 8515. An act for the relief of James R. Banks;

H.R. 8628. An act for the relief of Joseph A. Tedesco;

H.R. 8916. An act to authorize grants for planning and carrying out a project of construction for the expansion and improvement of the facilities of George Washington University Hospital in the District of Columbia;

H.R. 8941. An act to authorize acceptance of the gift made to the United States by the will of Esther Cattell Schmitt;

H.R. 9060. An act for the relief of Rhea G. Burgess;

H.R. 9097. An act to authorize the Secretary of the Interior to sell certain public lands in Idaho;

H.R. 9188. An act to relieve Theodore A. Anderson from loss of agricultural conservation program benefits;

H.R. 9409. An act for the relief of Mrs. Iris Ann Landrum;

H.R. 9596. An act for the relief of Daniel E. Moore;

H.R. 9597. An act for the relief of James N. Tull;

H.R. 9647. An act to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District, and for other purposes;

H.R. 9699. An act to authorize the Commissioners of the District of Columbia to sell certain property owned by the District of Columbia located in Prince William County, Va., and for other purposes;

H.R. 9752. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in Greece in 1963, and for other purposes;

H.R. 9753. An act to amend sections 3(7) and 5(b) of the Internal Security Act of 1950, relating to employment of members of Communist organizations in certain defense facilities;

H.R. 9805. An act to change the name of Whitman National Monument to Whitman Mission National Historic Site;

H.R. 9830. An act for the relief of John B. Hogan;

H.R. 10098. An act to authorize the exchange of certain lands at Antietam National Battlefield site;

S.J. Res. 129. Joint resolution authorizing the Secretary of the Air Force to admit a citizen of the Kingdom of Thailand to the United States Air Force Academy;

S.J. Res. 175. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium; and

H.J. Res. 576. Joint resolution to designate calendar year 1962 as Cancer Progress Year.

## COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Upon request of Mr. HUMPHREY, and by unanimous consent, all committees of the Senate were authorized to meet until 12 o'clock noon tomorrow.

Upon request of Mr. HUMPHREY, and by unanimous consent, the permanent Subcommittee on Investigations of the Committee on Government Operations and the Subcommittee on Stockpiling of the Committee on Armed Services were authorized to meet during the session of the Senate today.

On request of Mr. TALMADGE, and by unanimous consent, the Subcommittee on Constitutional Amendments of the Judiciary Committee was authorized to meet during the session of the Senate today.

#### LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. HUMPHREY, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Morning business is in order.

#### LIMITATION ON CERTAIN EXPENSES RELATING TO DEPARTMENT OF DEFENSE APPROPRIATION BILL FOR 1963

The ACTING PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, proposing the removal of limitation on indirect expenses connected with research grants in the pending Department of Defense appropriation bill for fiscal year 1963; which was referred to the Committee on Appropriations.

#### PROTECTION FOR THE GOLDEN EAGLE—RESOLUTION

Mr. CARLSON. Mr. President, the Fraternal Order of Eagles is supporting House Joint Resolution 489, which affords protection to the golden eagle, and indirectly increases protection of the bald eagle. The eagle is the emblem of this fraternity.

Newton Aerie 2516, Fraternal Order of Eagles, Newton, Kans., has adopted a resolution in support of this proposed legislation.

I ask unanimous consent that the resolution be printed in the RECORD, and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

##### RESOLUTION FOR THE PROTECTION OF THE GOLDEN EAGLE

Whereas the purpose of House Joint Resolution 489, now pending in the House of Representatives of the Congress of the United States, is to afford protection to the golden eagle, and indirectly to increase protection of the bald eagle, the emblem of

our country and the emblem of our fraternity; and

Whereas up to 4 years of age, the bald eagle and the golden eagle are virtually indistinguishable and, as a result, many young bald eagles have been slaughtered by hunters who have mistaken them for golden eagles; and

Whereas the numbers of bald eagles and of golden eagles have been declining year by year, and there is grave danger that both species will completely disappear, becoming as extinct as the dodo; and

Whereas at the present time the golden eagle is protected by legislation in 43 States and the bald eagle is protected by Federal legislation, the Bald Eagle Act of 1940: Now, therefore, be it

*Resolved*, That our aerie, as a local aerie of the Fraternal Order of Eagles and in support of the "keep 'em flying" program of our fraternity, urge the enactment of House Joint Resolution 489, and respectfully request the Representative of our district in the Congress of the United States to support the enactment of House Joint Resolution 489.

MORRIS A. SEGER,  
*President,*  
MELVIN E. GRUBB,  
*Secretary.*

Dated this 2d day of May 1962.

#### REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MANSFIELD, from the Committee on Rules and Administration, without amendment:

S. 3266. A bill to amend section 2 of the act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), relating to deposits with the Treasurer of the United States of gifts and bequests to the Library of Congress and to raise the statutory limitation provided for in that section (Rept. No. 1520);

S. Res. 37. Resolution to amend rule XIX relative to the transgression of the rule in debate (Rept. No. 1521);

S. Res. 337. Resolution increasing the limit of expenditures by the Committee on Appropriations;

S. Res. 341. Resolution to print a list of proposed amendments to the Constitution, 69th Congress through 87th Congress (Rept. No. 1522);

S. Res. 342. Resolution to print as a Senate document an agreement relating to the use and development of water and related land resources (Rept. No. 1523);

S. Res. 343. Resolution to print as a Senate document, with an illustration, a report entitled "Functions of the General Accounting Office" (Rept. No. 1524); and

S. Res. 344. Resolution authorizing the printing for the use of the Committee on Appropriations of additional copies of Senate Document 5, 87th Congress, entitled "The Proposed 23d Amendment to the Constitution To Repeal the 16th Amendment to the Constitution, Which Provides That Congress Shall Have Power To Collect Taxes on Incomes" (Rept. No. 1525).

#### BILL AND JOINT RESOLUTION INTRODUCED

A bill and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOLDWATER:

S. 3338. A bill to incorporate the American Symphony Orchestra League; to the Committee on the Judiciary.

(See the remarks of Mr. GOLDWATER when he introduced the above bill, which appear under a separate heading.)

By Mr. SCOTT:

S.J. Res. 189. Joint resolution requesting the President to proclaim the week of July 15 to 21, 1962, as "National Drum Corps Week"; to the Committee on the Judiciary.

#### INCORPORATION OF THE AMERICAN SYMPHONY ORCHESTRA LEAGUE

Mr. GOLDWATER. Mr. President, I introduce, for appropriate reference, a bill to incorporate under a Federal charter, the American Symphony Orchestra League.

Mr. President, the American Symphony Orchestra League is the only organization in existence devoted exclusively to the needs of symphony orchestras, their related organizations and arts councils. It is a nonprofit, research, service, and educational association. Its membership consists of symphony orchestras and arts councils, business firms, educational institutions, libraries, individuals representing women's associations and symphony boards, as well as composers, conductors, concert artists, artists' agents, orchestra managers, and musicians—all representing 1,200 symphony orchestras. These range from the smallest college and community orchestra to the largest of the major orchestras. It is maintained solely for the purpose of assisting orchestras and arts councils to strengthen their work, stabilize their financial base, expand their cultural services within their own communities, and upgrade their artistic standards.

The league's activities and services are many and varied. Its official publication, the Newsletter, reports on the work, problems, research, and activities of orchestras, women's associations, arts councils, and other related arts activities. It issues special publications including authoritative studies of legal documents of symphony orchestras, governing boards of orchestras, survey of arts councils, summary of music critics workshops, conductor study and training opportunities, and report on recording projects. Other special memorandums are issued periodically, devoted to various aspects of orchestra work and research.

Each year, comparative financial and statistical reports are compiled and issued to participating orchestras within three budget categories—the metropolitan orchestras, the large budget community orchestras and the small budget community orchestras. Over 100 orchestras participate in the league's monthly exchange of information on concert attendance in relation to the type of concert and specific artist presented. Nearly 200 orchestras participated in a survey on support of orchestras by municipal, county, and State funds. The publication of the 1960 to 1962 concert calendar includes concerts of 203 league member orchestras listing dates, orchestras, conductors, assisting artists, and world premieres.

The league talent pool serves orchestras, musicians, managers, and conductors, and is designed to assist organizations in finding needed personnel. Its



individual service program enables members to request and receive advisory service on employment and on special problems.

The league's study and training activities have provided opportunities to enter into cooperative projects with other organizations. For example:

The Rockefeller Foundation has assisted in many of its research and training projects with approximately one-half million dollars in grants over the last 6 years;

The U.S. Government selected the league to develop the work and organization of the music committee of the people-to-people program;

Broadcast Music, Inc., has assisted extensively in presenting musicians study projects at its national conventions. The American Society of Composers, Artists, and Publishers and other business firms have assisted in other projects;

The Avalon Foundation has made a grant to the league for the purpose of developing an in-service training program in orchestra management;

The Music Critics Association and Community Arts Councils, Inc., have selected the league to serve as their administrative agency. The World Music Bank is administered by the league;

The league serves as the coordinating agency for the Alice M. Ditson Fund whose orchestra awards this year were presented to conductors of only four orchestras; and

The league each year conducts an orchestra management course which is the only such training program offered on a professional level anywhere.

Its conductor study programs continue to be in such demand that it cannot accommodate the scores of conductors wishing to attend.

Its advanced conductors study has proved of enormous interest and help in making available the funds, background education, and training opportunities necessary to the advancement of talented young conductors.

Mainly as a result of the league alerting members and nonmembers of the possible discontinuation of the 1960-61 CBS radio broadcasts of the New York Philharmonic, CBS received 11,000 letters, and the programs were presented for the 31st consecutive year.

The league is represented on the advisory committee for the National Cultural Center for the Arts in Washington, D.C., by its president, Mr. John Edwards. Its executive secretary, Mrs. Helen Thompson, represents the league on the Council of Arts in Government, on the editorial board of Musical America, on the executive committee of the National Music Council and contributes to the forum lecture programs broadcast throughout the world by the Voice of America, and will be a judge for the Liverpool competitions.

The league has introduced to the orchestra world a retirement income plan for conductors, orchestra, and arts council managers, and administrative employees. The plan was under study by the league board for 3 years, and is covered under a group annuity contract issued by the Equitable Life Assurance

Society of the United States. The plan, I might add, has been adopted by the Phoenix Symphony Association.

The league introduced a regional management project for orchestra operating on small budgets from \$20,000 to \$30,000 a year. This makes it possible for orchestras within a geographical area to obtain the services of a skilled professionally trained orchestra manager.

The league also concerns itself with the problems and solutions of full-time employment for orchestra musicians and conductors.

The league is being financed, through the aid of Mrs. John D. Rockefeller, Jr., for a second year, in a plan to send leading critics to the home cities of younger American conductors. Their concerts are criticized on a strictly professional basis with special emphasis on the performance of the conductor. The reviews are printed as the lead article in *Musical America*.

The league's hope for a permanent headquarters establishment has become a reality. It has received many flattering offers and invitations from organizations and leading educational institutions across the Nation.

A short time ago, a gift was made to the league by Mrs. Jouett Shouse, of Washington, D.C., of 40 acres of beautiful, rolling woodland just 20 minutes from the Nation's Capitol. Edward Durell Stone, world-renowned architect, is preparing the plans for its national headquarters to be known as Symphony Hill.

The league's 17th national convention will be held this summer in Chicago, June 20 through June 23. Held simultaneously will be the fourth metropolitan managers conference, and the eighth Community Arts Council, Inc., conference. Every facet of symphony organization will be represented.

Mr. President, the league's activities are nationwide and constitute a contribution to the cultural life of our country which is so great as to be immeasurable. Presently incorporated under the laws of Michigan and West Virginia, the league's members feel strongly that their important national activities would be more appropriately carried on under a Federal charter. I fully share this sentiment, and for that reason I sincerely hope that this bill will become law.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3338) to incorporate the American Symphony Orchestra League, introduced by Mr. GOLDWATER, was received, read twice by its title, and referred to the Committee on the Judiciary.

#### STANDBY AUTHORITY TO ACCELERATE PUBLIC WORKS PROGRAMS—AMENDMENT

Mr. LONG of Missouri. Mr. President, in a few minutes I will submit an amendment to S. 2965 which would make it clear that some of the funds authorized by the bill should be used for the construction and repair and improvement of prisons, juvenile training

schools, and institutions for youthful offenders. This is one type of public works for which our States and the Federal Government have a particularly critical need.

Crime rates are climbing and virtually every penal and correctional institution in the United States is seriously overcrowded. Further, they are typically aged, run down, and long outmoded in terms of modern correctional programs. As chairman of the Judiciary Committee's Subcommittee on National Penitentiaries, I am extremely concerned about the conditions of overcrowding, plant deterioration, and general physical inadequacy common to the institutions of the Federal prison system. The past reports of this subcommittee, and the one which I shall file within a few days, describe these conditions in some detail.

The subcommittee's forthcoming report will also contain a projected plan for the orderly development of the system which was prepared by the Attorney General at the request of the subcommittee. Before submission to the committee, it received the full approval of the Bureau of the Budget. The plan reveals a tremendous backlog of immediate construction needs, which totals about \$65 million. It is a most conservative plan and is designed only to enable the Federal prison system to catch up during the next 5 years on its most urgent requirements for more adequate facilities for the confinement and treatment of Federal prisoners.

A part of this plan involves the construction of new institutions, many of which will be placed in depressed areas where they will be well located for their purposes. Near the top of the construction schedule, for example, is the replacement of the disgracefully rundown National Training School for Boys, which has been operated here in the District of Columbia ever since the Civil War. I am informed that if funds are made available for the construction of a replacement, the \$8½ million project will be undertaken somewhere in West Virginia.

The schedule also includes the construction of an institution in the Midwest for the care and treatment of 500 youthful prisoners. This is a \$7½ million project which I am informed can be built in some distressed community in or near Indiana, Illinois, or Missouri. The Federal system needs new facilities in virtually every major region of the country, and I am confident its problem of overcrowding can be met by carrying out the proposed construction almost entirely in economically depressed communities. The facility planned for the treatment of aged prisoners and alcoholics can be placed in a stricken New England community. The southeastern youth unit can be placed in any one of a number of States in that area, and the contemplated adult correctional institution can be situated in a State such as Pennsylvania which has thousands of unemployed. Similar flexibility exists with respect to the other institutions contemplated in this 5-year plan.

A second part of the contemplated plan outlines the pressing requirements

for repairing and expanding existing Federal institutions in such States as Ohio, Michigan, Connecticut, Kentucky, West Virginia, and Indiana. As the past reports of the National Penitentiaries Subcommittee indicate, the Federal institutions are rapidly deteriorating and an ambitious program of plant improvement must be financed soon if the usefulness of these facilities is to be preserved. The materials and labor needed to carry out these projects, immediately aggregating \$15 million and estimated at \$35 million over the next 5 years, can contribute to the economic regeneration of distressed communities and industries in such States as I have mentioned.

The Subcommittee on National Penitentiaries in its reports for the past several years has repeatedly called attention to the critical and mounting needs of the Federal prison system for institutional construction and repairs. But, as we must concede, prison systems have traditionally held a low priority in the competition of Government agencies for available funds. S. 2965 offers an excellent means of accomplishing two highly worthwhile purposes. If a portion of the funds authorized for immediate aid to areas of substantial unemployment can be used to construct new Federal and State institutions and to repair the old institutions, we can avoid the threatening crisis resulting from jamming more and more prisoners into already inadequate facilities. At the same time, we can contribute to the economic regeneration of many communities which are now suffering from intolerably high unemployment rates and meet every interest of S. 2965. The major purpose of the bill in providing additional employment in distressed areas is in itself completely worthy of our support, but I wish to point out that in accomplishing this purpose it can also achieve other objectives which contribute importantly to the Nation's welfare.

Mr. President, I submit an amendment which would include prisons, training schools, and youth correctional facilities in the definition of the term "public works" as used in S. 2965. I ask unanimous consent that the amendment be printed and ordered to lie on the table.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

#### FOOD AND AGRICULTURE ACT OF 1962—AMENDMENTS

Mr. YOUNG of North Dakota submitted amendments, intended to be proposed by him, to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. YOUNG of North Dakota also submitted amendments, intended to be

proposed by him, to the amendment proposed by Mr. ELLENDER, designated as "5-21-62—A," to Senate bill 3225, supra, which were ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted an amendment, intended to be proposed by him to Senate bill 3225, supra, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS of Delaware submitted an amendment, intended to be proposed by him to Senate bill 3225, supra, which was ordered to lie on the table and to be printed.

Mr. FULBRIGHT submitted amendments, intended to be proposed by him, to Senate bill 3225, supra, which were ordered to lie on the table and to be printed.

Mr. MORTON submitted amendments, intended to be proposed by him, to Senate bill 3225, supra, which were ordered to lie on the table and to be printed.

Mr. KEATING (for himself, Mr. SCOTT, Mr. JAVITS, and Mr. CASE of New Jersey) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3225, supra, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY. Mr. President, the Congress has consistently been concerned with the use of our abundant production. Planks in both the Democratic and Republican platforms in 1960 were a full acknowledgment of our responsibility and our ability to feed the hungry at home and to provide the developing countries of the world with needed food and fiber.

One of the first acts of Secretary of Agriculture Freeman was to set underway a study—an analysis of world food needs and world food resources. This study was completed in October 1961. For the first time all of the available information on population, growth, and changes in dietary needs and deficits on agricultural productivity potential have been brought together in one publication.

This is not a conclusion. This is the beginning. This administration is pledged to fulfill its human responsibilities. The agricultural programs transmitted to the Congress by the President last year and this year were designed to bring balanced abundance, not scarcity.

The title of the bill under consideration should be noted; the expressed intent to "provide adequate supplies of agricultural commodities for domestic and foreign needs" is to be taken seriously.

I would also bring the Senate's attention to the wheat section of the measure before us, S. 3225, section 332(b) (iv) (B), if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the act: Provided, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to

assure an adequate carryover: And provided further, That the national marketing quota for wheat for any marketing year shall be not less than 1 billion bushels.

A quota of 1 billion bushels—safeguarded by this language that would permit the Secretary to increase the quota if need appeared—is certainly not a scarcity provision.

The Secretary has indicated in hearings that about 3 or 4 years of orderly carryover reductions are ahead under this wheat program. If wheat stocks are brought down from present levels at the rate of 150 to 175 million bushels a year—the rate possible under the bill—we would have about 700 million bushels in storage by 1967. And 700 million bushels represent about 50 percent more than the present accelerated food for peace use.

I send to the desk an amendment which will authorize the Secretary of Agriculture and direct him to make a determination annually of the food and feed needed in the next succeeding year, to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

I ask unanimous consent that the amendment be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the desk; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 69, between lines 16 and 17, insert a new section as follows:

"Sec. 405. (a) The Secretary of Agriculture is authorized and directed to make a determination annually of the amount of food and fiber needed in the next succeeding year to meet the domestic requirements of the United States, including amounts necessary to meet the requirements of

"(1) the national school lunch program (carried out under the National School Lunch Act) and the special milk program for children (carried out under the Act of July 1, 1958 (72 Stat. 276));

"(2) food allotment program under which the nutritional needs of low income persons, the unemployed, the aged, and the handicapped will be more adequately fulfilled; and

"(3) a national security reserve of food and fiber products designed to protect people of the United States against shortages of such products in the event of war or other national emergency.

"(b) The Secretary shall also make a determination annually of the amount of food and fiber needed by the United States in the next succeeding year to meet its obligations under the Food for Peace Program (carried out under Public Law 480, 83d Cong.), the Freedom From Hunger Program (administered by the Food and Agricultural Organization of the United Nations), and other similar programs in which the United States participates in order to aid the needy peoples of foreign nations.

"(c) The Secretary shall submit the annual determinations made by him pursuant to subsections (a) and (b) of this section to



the Congress not later than February 1 of each year together with an analysis of such determinations and with any recommendations he may deem appropriate."

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment to S. 3225, which I ask be printed and lie on the table.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. FULBRIGHT. Mr. President, this is a simple amendment, to which there should not be any objection. The purpose of the amendment is to make fish farmers eligible for loans from the Farmers Home Administration on the same basis as other farmers. This is an effort to eliminate the existing discrimination against fish farmers who are not looked upon as farmers for FHA credit purposes.

I ask unanimous consent to have printed at this point in the RECORD a letter which I have received from Mr. John A. Baker, Director of Agricultural Credit, on this question.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., May 18, 1962.

Hon. J. W. FULBRIGHT,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR FULBRIGHT: In response to your inquiry of April 17, 1962, concerning the availability of credit through the Farmers Home Administration to finance fish farmers, we submit for your consideration the following explanation.

The Consolidated Farmers Home Administration Act of 1961 authorizes the Secretary to make real estate loans, operating loans and emergency loans to "farmers and ranchers" to finance land acquisition and improvement and farm operating expenses. The provisions of title V of the Housing Act of 1949, as amended, authorize the Secretary to make loans to the owners of farms and the owners of other real estate in rural areas to construct and improve dwellings and related facilities and other buildings adequate for the farming operation. We are not aware of any legislative history of these or prior loan authorities of this Department which sheds any light on whether persons engaged in the production of fish could be construed as "farmers or ranchers." Consequently, under the general rule of statutory construction, the terms "farmers and ranchers" are given their normally accepted meaning in the context of the credit legislation. Loans have, therefore, been limited to persons engaged primarily in the production of food and fiber from crops and livestock.

There is some case law which might support a broader definition of the term farmer as used in certain other legislation. For example, fish farming has been recognized as being a farming enterprise, under certain conditions, for the purpose of applying the provisions of the Bankruptcy Act.

In the event Congress defines these terms as used in the credit legislation administered by this Department so as to embrace fish farmers, provisions could be made to extend credit to such operators on a similar basis to that now extended to the producers of crops and livestock.

If we can be of any further assistance in connection with this problem, please let us know.

Sincerely yours,

JOHN A. BAKER,  
Director, Agricultural Credit.

Mr. FULBRIGHT. Mr. President, I presented this amendment to the distinguished chairman of the Committee on Agriculture while the farm bill was under consideration, but he advised me that there was no good opportunity for committee consideration of the amendment. He did advise me that he did not believe there would be any objection to the amendment if it were offered on the floor.

I ask unanimous consent to have my letter to the chairman printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 7, 1962.

Hon. ALLEN J. ELLENDER,  
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I know that you and other members of your committee are familiar with the fish farming industry. This industry is becoming increasingly important to the economy of my State. Many farmers in Louisiana also raise fish in reservoirs for commercial use. It was recently estimated that some 13 million acres in Arkansas, Louisiana, Mississippi, Missouri, and Texas are suitable for rotation of fish and field crops. The importance of this new phase of agriculture to my State is shown by the fact that last year about \$12 million worth of minnows alone were produced and sold by Arkansas farmers. I have no doubt that this industry will continue to grow in the areas where there is suitable land and an abundant water supply, if these farmers are given fair treatment.

Arkansas fish farmers pioneered in this business and have, on their own, solved many problems. Unfortunately, this activity is not looked upon as farming by some Government agencies, including the Department of Agriculture. In spite of the fact that these farmers use soil and water to cultivate a crop as another farmer would in cultivating corn or cotton, they are denied certain assistance available to other farmers through the Department of Agriculture.

I hope that this discrimination will be eliminated through certain changes, and establishment of legislative history in connection with the pending farm bill. I realize that the committee is already well along in its consideration of the farm bill and I regret that it was necessary for me to bring this problem to your attention at this late date. However, this matter has just been brought to my attention.

The overall objective of the farm bill is to bring agricultural production more in balance with consumption, and one of the President's major proposals relates to taking land out of production and putting it to some other use, such as for recreational purposes. The conversion of additional acres to fish farming would certainly be in keeping with this goal. In fact many farmers in my State have already lost their acreage history for rice and cotton by producing fish on their allotted acreage for a number of years continuously. Others would undoubtedly try fish farming if they were able to receive the assistance from the Department of Agriculture available to other farmers.

One of the major problems facing fish farmers is their ineligibility for certain ACP cost sharing practices, including construction of fish ponds. The authority contained in section 101(e)(1) of S. 2786 appears to be broad enough to authorize ACP assistance in the construction of fish ponds and other practices which would assist fish farmers. A member of the staff of the General Counsel in the Department of Agriculture

has advised my office that in view of the existing official attitude toward fish farming, it would probably be necessary for some legislative history to be made that would clearly indicate the Congress' intent to include fish farming under the provisions of this section. I certainly hope that it will be possible for the committee to include language in the committee report indicating that fish farming is covered under the expanded authority.

Since fish farming is not officially considered as farming, agricultural credit under the Farmers Home Administration is denied to fish farmers in many instances. The General Counsel's office advises that section 501 of S. 2786 would not broaden the FHA loan program authority sufficiently to cover fish farmers. If FHA funds are to be made available for encouraging conversion of farm land to recreational use, I can certainly see no justification for denying this type of credit to fish farmers. The legislative counsel has prepared the attached language as a suggested amendment to section 501 to insure that fish farmers are eligible for FHA credit. I hope that the committee will give this proposed amendment serious consideration.

The Congress could do a great deal to encourage the development of fish farming by insuring that fish farmers are legally classified as farmers and treated accordingly for purposes of being eligible for assistance under our agricultural programs.

With kind regards, I am,

Sincerely yours,

J. W. FULBRIGHT.

Mr. FULBRIGHT. Mr. President, by way of background, I might point out that fish farming, although relatively new in this country, is an ancient practice which has been pursued for centuries in many countries, especially those in the Far East. Farmers in my State pioneered in this new type of farming and have encountered many problems hindering the development of the full potential of this new branch of agriculture. The Congress has already indicated its sympathy with the difficulties facing fish farmers by authorizing the establishment of an experiment station to help them find solutions to some of the peculiar problems involved in this type of fish production. The main unit of the station, which is located in my State, is nearing completion. The Senate Appropriations Committee has also recommended the sum of \$225,000 in the Interior appropriation bill to develop a second unit which will insure an intensified attack on fish farming problems.

We are making some progress in the effort to bring about fair treatment for fish farmers and to have this type of farming considered as a phase of agriculture, as it should be. Earlier this year the Department of Agriculture modified its regulations to permit fish farmers to receive ACP cost-sharing assistance in the building of reservoirs under certain conditions. The Committee on Agriculture in its report on the pending bill included language which left no doubt that fish farmers would be eligible for long-term conservation contracts authorized in the bill. I appreciate the committee's recognition that our fish farmers are entitled to participate in this new program.

The adoption of my amendment will go a long way toward putting fish farm-

ers on an official par with other farmers. I hope that there will be no objection to it and that it will be adopted unanimously.

Mr. MORTON. Mr. President, there is one particular aspect of the section in the bill dealing with national wheat marketing allocation which I feel, as it now stands, does not permit sufficient flexibility in the production of some wheats.

I send to the desk an amendment to be proposed to section 379b. I ask unanimous consent that the text of the amendment be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 42, line 18, strike out "(1)."

On page 43, lines 3 through 12, change the comma after "subtitle" in line 3 to a period; strike out the remainder of the sentence and all of the next sentence, and insert in lieu thereof the following: "The national wheat allocation shall be apportioned among the various classes of wheat; namely, Hard Red Winter wheat, Hard Red Spring wheat, Soft Red Winter wheat, White wheat, and Durum wheat, and distributed to farms on the basis of farm acreage allotments, the percentage of the wheat acreage on each farm that is normally devoted to the production of each

class of wheat and normal yields as determined by the Secretary."

Mr. MORTON. Mr. President, many people have a misconception about wheat. They believe that wheat is wheat, without recognizing that there are various classes of wheat whose qualities limit their utilization to specific purposes.

Wheat is not a uniform commodity. The surplus position of some types of wheat is more serious than for others. For instance, on the basis of a 5-year average using the 1956-60 crop years, the average annual production of Hard Red Winter wheat was 625 million bushels, some 83 million bushels in excess of average domestic and export requirements.

At the same time, Soft Red Winter, for example, was in deficit production by a million bushels. The carryover of Hard Red Winter was 1,109 million bushels on July 1, 1961, as compared to only 12 million bushels of Soft Red.

I ask unanimous consent that two tables prepared on production, consumption and carryover of wheat for the 1956-60 crops be inserted in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*Production and use of wheat, by classes, 5-year average, 1956-60 crops*

(Million bushels)

Class	Average production	Average domestic use	Average exports	Average total utilization	Average increase or decrease in stocks	July 1, 1961, carryover	July 1, 1961, carryover as a percentage of 1956-60 average utilization
Hard Red Winter.....	625	251	291	542	83	1,109	Percent 204.6
Soft Red Winter.....	176	131	46	177	-1	12	6.8
Hard Red Spring.....	184	141	41	182	2	237	130.2
Durum.....	31	25	4	29	2	16	55.2
White.....	163	47	135	182	-19	38	20.9
Total.....	1,179	595	517	1,112	67	1,412	127.0

Mr. MORTON. Mr. President, the purpose of my amendment is to provide that wheat marketing certificates be distributed among the producers of the various types of wheat—Hard Red Winter, Soft Red Winter, Hard Red Spring, White and Durum—in accordance with estimated national requirements for each class for the uses for which marketing certificates are required.

Under the bill, as reported, situations can arise where certificated supplies of some classes of wheat are inadequate to meet the demand. In such cases, buyers would have to buy wheat unsuited for their needs.

While it would be possible to buy desirable uncertificated wheat and substitute it for undesirable certificated grain, this would mean that some producers would receive a subsidy on wheat that was not used for domestic human consumption or exports, while other producers would be producing wheat needed for such uses without subsidy.

The proposed amendment is designed to correct this situation.

#### EXTENSION OF TIME FOR GRANTING NATIONAL SERVICE LIFE INSURANCE TO CERTAIN VETERANS—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of May 14 and 16, 1962, the names of Senators LONG of Missouri, YARBOROUGH, METCALF, GRUENING, CARROLL, CAPEHART, DOUGLAS, FULBRIGHT, KUCHEL, LONG of Hawaii, MANSFIELD, MCGEE, NEUBERGER, PASTORE, HUMPHREY, MORSE, BYRD of West Virginia, PELL, BIBLE, CLARK, SCOTT, DODD, CASE of South Dakota, RANDOLPH, AIKEN, KEATING, BEALL, MUSKIE, BARTLETT, BUSH, HART, JOHNSTON, MAGNUSON, SYMINGTON, YOUNG of North Dakota, ENGLE, JAVITS, and BUTLER were added as additional cosponsors of the bill (S. 3289) to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to veterans heretofore eligible for such insurance, introduced by Mr. LONG of Louisiana on May 14, 1962.

#### AMENDMENT AND EXTENSION OF PROVISIONS OF SUGAR ACT OF 1948—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of May 14, 16, and 17, 1962, the names of Senators MAGNUSON, MOSS, DWORSHAK, JACKSON, HART, TALMADGE, HICKEY, MCGEE, CHURCH, BIBLE, SMITH of Massachusetts, KUCHEL, YOUNG of North Dakota, BARTLETT, BUTLER, BUSH, SALTONSTALL, MUSKIE, and SCOTT were added as additional cosponsors of the bill (S. 3290) to amend and extend the provisions of the Sugar Act of 1948, as amended, introduced by Mr. ELLENDER (for himself and other Senators) on May 14, 1962.

#### ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, May 23, 1962, he presented to the President of the United States the following enrolled bills and joint resolutions:

S. 1915. An act for the relief of Orsolina Iallonnardo, Mrs. Chow Chui, and Giuseppe Aniello;

S. 2270. An act to amend section 105 of title 28, United States Code, so as to transfer certain counties from the western division of the western district of Missouri to the St. Joseph division of such district, and for other purposes;

S. 2806. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended;

S. J. Res. 129. Joint resolution authorizing the Secretary of the Air Force to admit a citizen of the Kingdom of Thailand to the U.S. Air Force Academy; and

S. J. Res. 175. Joint resolution authorizing the Secretary of the Navy to receive for instruction of the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. LONG of Missouri:

Address entitled "American Agriculture as an Influence in World Affairs," delivered by Senator SYMINGTON before the World Food Forum, in Washington, D.C., on May 15, 1962.

#### PROFITS ESSENTIAL TO JOBS

Mr. GOLDWATER. Mr. President, in reading the newspaper this morning, I came across what I believe to be one of the most astounding statements I have ever seen with regard to the employment situation in this country. My reference is to a challenge issued by AFL-CIO President George Meany for businessmen to show how profits can create jobs.

Mr. President, I believe that if Mr. Meany has any serious doubt on this score, the labor organization he represents would do well to look for another president. It certainly cannot get along



for very long with a man who lacks the most fundamental knowledge of our economic system and the place of business profits and losses in the employment picture.

We might ask Mr. Meany how, in the name of heavens, does he believe that jobs could be created without profits. The first job Mr. Meany or anyone else in the labor movement ever held was made possible by profits. If it were not for business profits, there would be no AFL-CIO in existence today. If it were not for business profits, the American unions would never be able to seek a raise for their members at the bargaining table.

We also might ask Mr. Meany, how any business—no matter how big or how small—is ever going to be able to expand, create new facilities, and require the services of more workmen, if it does not have profits. It is fairly basic that without profits, no corporation, no business, no enterprise of any kind, is going to grow and expand and add to the economic growth of this Nation and the creation of more and more job opportunities.

Mr. President, in conclusion, let me merely state that if Mr. Meany really needs to be told the relationship of business profits to business growth and the creation of more jobs, he is perhaps the worst informed man in the labor movement today.

I ask unanimous consent that the article to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 23, 1962]  
MEANY CALLS ON NAM TO SHOW HOW HIGH PROFITS CREATE JOBS

(By Bernard D. Nossiter)

George Meany challenged a business leader yesterday to demonstrate how bigger profits would create more jobs.

Breaking through the ritualistic public speeches at the White House conference on national economic issues, the burly AFL-CIO president declared:

"I don't care how high profits will go if you tell us how this is going to be transferred into jobs, not higher salaries for executives, or stock options—legalized larceny practiced by some of these corporations."

Meany delivered his challenge to Charles R. Sligh, Jr., executive vice president of the National Association of Manufacturers.

Sligh had told the more than 200 business, labor, and academic leaders in the State Department auditorium that falling profits are behind the Nation's unemployment problem.

#### REPLIES TO MEANY

In reply to Meany, Sligh promised to send the labor leader what he said was the NAM's detailed plan on how job opportunities can be created. He quarreled with Meany's assertion that most Americans think profits are too high. But he would not answer from the floor Meany's demand for the link between profits and jobs.

Meany's angry outburst highlighted the closing session of the 2-day conference. Delegates agreed that the public sessions shed little light on economic problems. But most of them said it was useful to keep on talking and said they hoped there would be more tripartite meetings of this kind.

The Meany-Sligh exchange repeated some history. After the AFL and CIO merged in 1955, the two men debated right-to-work

laws at an NAM luncheon. Sligh, a former furniture manufacturer, was then chairman of the NAM's board.

#### HITS SHORTER WEEK

In his formal address, Sligh had said that automation was no cause for concern, that programs to spread work through shorter hours and other plans for social action would merely burden business with increased costs.

"Whatever restricts profits opportunities is bound to reduce our national rate of economic growth and create an employment problem," he said.

This brought Meany to his feet.

"We are meeting here because we are in trouble," Meany said. "We could accept the law of the jungle if we didn't have a national problem."

This he defined as inadequate growth and "a creeping unemployment rate."

#### DEMANDS NAM SOLUTION

"It's not enough to tell us that industry will make jobs and things will take care of themselves," he shouted. "Let the NAM say how they would handle it. If they can show me, I'm for more profits."

Meany's reference to stock options concerned a form of compensation enjoyed by most of the corporate executives in the room.

The corporations they run allow them the option or choice to buy certain amounts of the company's stock at fixed prices. If the price of the stock goes up, they exercise the options, buy the stock and can cash in their profits at the 25-percent capital gains rate. If the stock price doesn't go up, they lose nothing.

#### NEW ECONOMY SEEN

Earlier in the day, the delegates heard John T. Dunlop, chairman of Harvard's economics department, describe what he said was a new economy. It will be marked, he said, by much more international competition and technological change and by new responsibilities imposed on collective bargaining.

In this world, he said, the Government must not be limited to the alternatives of regulation or noninterference but must explore a middle ground between them.

On the unemployment front, Dunlop warned that the Nation faces an unparalleled split between the demands for skills and the supply of skills possessed by the labor force.

Other conference speakers included Vice President Lyndon B. Johnson, Treasury Secretary Douglas Dillon, Defense Secretary Robert S. McNamara, and Commerce Secretary Luther H. Hodges.

#### THE DISGRACE OF DISTRICT OF COLUMBIA SCHOOLBOOKS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have 10 minutes to make a statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, last Friday six bright, intelligent, responsible, polite, and modest high school students visited my office. I had a wonderful talk with them and was greatly impressed with their sense of maturity and social responsibility. But I will confess that I was shocked and outraged at what they told me and what they showed me. These young people brought with them their District of Columbia schoolbooks.

I have on the desk before me an exhibit of just a few of the books that are provided in the District of Columbia for the students in this great Capital City of the United States of America. It is rather difficult to explore with my col-

leagues the condition of these books, unless they can come close to see them; but, needless to say, these books are falling apart. Pages and chapters are missing, covers are falling off, bound by string or rubberbands. They are old, obsolete, antiquated. They do not qualify for the respectable title of "Ancient History."

Here is a book, "Elements of Electricity." I think this is pre-Thomas Edison.

All I know is that no school which calls itself modern would in any way consider for a moment having such a book, unless to show the early stages of scientific exploration into what is known as electrical energy.

Here is a book entitled "Making Sure of Arithmetic"—beat up, battered, torn, pages missing, dirty, old, and not even modern in terms of teaching techniques.

Here is a book on "Modern Physics" that was modern prior to the atom bomb, which leaves out the atomic age completely, and yet is a standard textbook in the District of Columbia for modern physics. Is it any wonder we have a shortage of scientists for modern technology?

As I said, these youngsters came to me on their own. I have never met finer, more attractive, more considerate, more polite, and I might add, more intelligent, people than these young high school students.

They brought with them books so dirty, battered, tattered, aged, and worn that they have to be held together with rubberbands. And the schools are filled with these. This is but a sampling—books with pages, and even whole sections, missing after years of hard use, books which are obsolete now and which were obsolete 10 years ago.

One of the girls in the group showed me a book called "Modern Physics" used by seniors at Spingarn High School which tells how "melting ice" chills food in "modern refrigerator boxes." I remember my grandmother telling me about that. There is not 1 home in 10 that uses a "modern refrigerator box" with "melting ice." This exemplifies the teaching of modern physics in the Capital City of the greatest Nation on the face of the earth, the United States of America.

I do not have to tell you, Mr. President, there is nothing at all about nuclear physics in this "Modern Physics" book. It is not mentioned. This book was printed in 1938. I wonder how many of our badly needed physicists will come out of this high school. I wonder how many are going to enter a university that has high standards for its entrance requirements?

A boy in the group showed me a sixth-grade book used at Benning Elementary, titled "The United States and Its World Relations." It contains this remarkable information:

Airplanes are gradually conquering the earth. Airplanes have not only sailed over the oceans, but they have sailed around the earth. Of course, stops were frequently made for gasoline and oil.

That is revealing information. There is not a 7-year-old child who does not

know this without ever having looked at a book.

I wonder what Colonel Glenn's daughter or son—or, in fact, any of my colleagues' children—would think on reading this. What startling information. What a revelation of our modern technology. How it really portrays the image of modern America, the jet and supersonic plane.

Another of the youngsters showed me a book, "Elements of Electricity," which is used at McKinley High School and which was printed in 1925. I gave it a brief description a moment ago. Pity the poor McKinley pupil who wants to be a scientist or engineer, or even wants to use a "do it yourself" kit at home to hook up electricity.

And pity poor America, which cannot see why it should afford, in the Nation's Capital, books on elements of modern electricity which go beyond 1925.

This is only a sample of what the District of Columbia is providing our children in the space age, in the atomic age, an age in which we are mighty worried about keeping ahead of the Russians. Well, we do not have to worry about that. A Washington youngster has enough trouble keeping up with the advances of America in the 1930's. As the young people showed me these broken down, gone-to-pieces, outmoded, outdated books, I wondered what kind of study and homework incentive they presented. But at least the students I met are allowed to take school books home.

At some schools, such as Chamberlain, the pupils cannot take their books home after school. There are not enough books to go around.

There is enough money in this city to build new hotels, cocktail bars, race-tracks, and a stadium. There is enough money in this city to give it one of the highest per capita income ratings in the world. But there is not enough money in this city to buy even simple arithmetic books for 10-year-old children.

It seems to me it is about time that the Congress became outraged about some things going on in this city. This is a Federal City. I think the city deserves home rule. We in the Congress are not doing anything to give it home rule. No other modern American city would tolerate these conditions overnight. But the PTA's and the citizens of the District of Columbia are helpless because Congress does not take care of the business of this city. The best way for the Congress to take care of the business of the city of the District of Columbia is to let the city of the District of Columbia take care of its own business through home rule.

Mr. President, all of this is only half of the sad, tragic and disgraceful story.

The other half—and not the better half, either—is the District of Columbia's equally appalling school library situation. To put it bluntly, Washington, D.C., has the worst school library system in the Nation compared to cities of its size. In fact, it brings up the rear in comparison to cities of almost any size.

We tell everyone else in the world how to act. We do more sermonizing, we spout more pious platitudes to tell

people how to act than any other city. We criticize people in India, in Africa, and in Latin America. We worry about illiteracy in other parts of the Nation.

I think before we criticize anybody else we should start putting things in order in this city.

Miss Olive De Bruler, superintendent of libraries in the District's schools, tells me the national standard for school libraries is an expenditure of \$3 a year for books per child.

Washington, D.C., spends a paltry 58 cents for each junior high school student, 76 cents for each high school pupil, and nothing, a great big "goose egg," zero, for each elementary pupil.

Is it any wonder that costly private schools flourish in the District of Columbia? Is it any wonder that public education is in trouble in the District of Columbia?

The ACTING PRESIDENT pro tempore. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may proceed for 5 additional minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, this is a city which has a very high per capita consumption of alcoholic beverages. This city spends more money on cigarettes than it does on education.

Mr. President, the national standard is only \$3 a year for libraries, and yet this city spends 76 cents on the average for libraries for high school students and 58 cents on the average for junior high school students and nothing for the thousands of children in elementary schools.

As long as the Congress is the city council for the city of the District of Columbia, I intend to act like a councilman today. I was once the mayor of the city of Minneapolis. I would not have tolerated these situations 15 minutes, nor would the city of Minneapolis have tolerated them. The aldermen would have been dismissed, as would the mayor if they had permitted such conditions to exist.

This is one of the few city councils outside of the Soviet Union in which the people have nothing to say about the conditions in their city. We equate with the Russians in this regard. It is totally unrepresentative government. There is not a single representative from the District of Columbia on the city council—the Congress—governing the city.

If ever there was an example of colonialism and its ugly evils, we have it here.

Mr. President, there are no libraries at all in Washington's elementary schools. Some of the newer ones have library rooms—this is a great advance—but they are stocked only with furniture, not books.

The land of the free. The home of the brave. The age of enlightenment. A little furniture, but no books.

We have made great progress, Mr. President, if I may say so in a rather cynical tone.

It is in the elementary grades that a child begins to read and, in the sixth

grade to read more than he will at any other time during his school life.

It is in the elementary grades that a child gets into the habit of reading or the habit of not reading.

All major cities, I am told, spend some funds on elementary school libraries, except Washington.

I am happy to say that the little rural town in which I live in Minnesota, 39 miles out of Minneapolis, a city of 300 people, spends more money on elementary school libraries than does the city of Washington, D.C. I can tell Senators that the city of Minneapolis, where I served as mayor, spends hundreds of thousands of dollars on its libraries.

But that is not all. My young visitors told me, for example, that the youngsters at Sousa Junior High School cannot take books out of the library to their homes. They also told me the District's five vocational high schools do not have libraries.

They told me, too, that Spingarn High School, built 10 years ago, still has only the bare bones of a library. And it has this only because private groups have donated a rudimentary collection.

And they told me something else, which typifies the whole sad state of the District's school libraries: Washington got its first library superintendent—Miss De Bruler—only 5 months ago, and then only because the junior league agreed to pay her salary.

Mr. President, shocking perhaps is not the best word for all this.

It is disastrous. It is disgraceful. It is outrageous. It is unbelievable. It is incredible.

We all know that many of Washington's schools are substandard physically. We all know there is a perpetual teacher shortage. This regrettably is true throughout much of the country.

A boy or girl attending such schools does not have the best chance to learn. But he still will have a good chance if he has decent books.

But take away the opportunity for good, decent, helpful, stimulating books—modern textbooks—and there will be almost no chance left for him.

The simple truth is that reading is the basis for all education. And if the opportunity for reading is not there, neither will education be there.

The young people who visited me are members of a group they formed themselves and call High School Students for Better Education. They are trying to improve conditions in their own schools.

What a wonderful thing that is. These are young students pleading with the Congress. They have come to the Congress to testify. They are working on a voluntary basis, with their own leadership.

Instead of trying to get out of school, they are trying to stay in school and improve school facilities.

In a day when our youth wears a black eye in many quarters for apathy and delinquency, it is refreshing that these youngsters are doing their best to wipe away the black eye that we, their elders, are sporting. I cannot commend them too highly. They want the tools to improve their city, their Nation, and their



own lives—tools which are not being denied the youth of neighboring areas.

Those tools should have been given to the students years ago. If this Senator has anything to say about it, they will be given to them this year. We are not going to be voting on defense programs, foreign aid programs, and agricultural programs and new buildings for Congress until we get some books in the schools of the District of Columbia. So get ready for trouble. I for one cannot feel very good about being a U.S. Senator and knowing that we have closed our eyes to the glaring reality of the inadequacy and obsolescence of these teaching tools.

The youngsters I met have completed a thorough inventory of the school textbook situation. That is a project that ought to have been undertaken by the Congress. They ask that the per student expenditure of \$5 for textbooks and all educational materials be increased to \$10 in order to make a start in overcoming this lag and blight in our District of Columbia schools.

Mr. President, the per student expenditure in the District of Columbia for all teaching materials, including books, films, blackboards, and maps, is \$5 per student—the price of five martinis.

If these young people were asking three times the amount I would be tempted to go along. There is no excuse for condemned books to be in use because there are no others.

On the library front \$26,500 a year is being spent on the District school libraries; \$83,000 would be required to raise the expenditure to \$1 a child in the high schools and junior high schools and 50 cents in the elementary schools. Even with that expenditure the amount spent per pupil in the District of Columbia schools would be \$2 to \$2.50 a pupil below the national standard. But it would represent at least a start.

I have been looking into this question for several weeks and have been waiting for this occasion to speak about it.

Last year I found some rather disgraceful conditions at Freedman's Hospital in the District of Columbia. I went through the hospital and returned to the Senate and spoke about those conditions, not once, but many times. I will do the same thing with reference to the present question. I shall conduct a one-man crusade on this subject until something is done. I warn my colleagues that I do not intend to drop it after one angry speech. The first thing that is needed is for the House and Senate Committees on the District of Columbia to receive full reports from school officials on the need for text and library books. Then the appropriate subcommittees and the full Committees on Appropriations should take action.

Our children deserve a minimum allotment of the basic school tools. They are our children. Every Senator and every Representative is responsible for their education. We govern the District of Columbia. Or should I say "misgovern" it?

It will be a tragedy—the children's, America's and ours—if this astonishingly decrepit situation is not corrected now.

#### HOMESTEAD ACT CENTENNIAL STAMP

Mr. HRUSKA. Mr. President, this past weekend it was my privilege to participate in ceremonies at Beatrice, Nebr., in connection with the first day of issue of the postage stamp commemorating the centennial of the Homestead Act.

These ceremonies were held near the site of America's first homestead, claimed a few minutes after midnight on January 1, 1863, by a Union soldier named Daniel Freeman. The site is now a national monument.

The citizens of Beatrice and Nebraska are understandably proud of the role their city and State have played in the opening of the West to settlement and in keeping alive the memory of the hardy homesteaders who made it possible.

The ceremonies of Sunday were the first in a series of events which will run through June 16, and I wish to salute those who are making these events so successful. They include Mr. G. E. Switzer, president of the Homestead Centennial Association; Mr. Charles H. Harman, chairman of the commemorative stamp committee; Beatrice Mayor W. W. Cook and his predecessor, Mayor Blaser; Mr. Leigh F. Coffin, postmaster of Beatrice; and a long list of hard-working Beatrice and Nebraska citizens.

We were pleased to have as a featured speaker on Sunday the Honorable J. Edward Day, Postmaster General of the United States.

I ask unanimous consent to have inserted in the RECORD the remarks of Postmaster General Day and those of the Senator from Nebraska, together with an article from the New York Times magazine of May 20, "They Lived the American Dream," by Hal Borland, a grandson of a Nebraska homesteader.

There being no objection, the remarks and article were ordered to be printed in the RECORD, as follows:

#### REMARKS BY J. EDWARD DAY, POSTMASTER GENERAL

Last Tuesday I was privileged to attend a dinner of the World Food Forum which marked the 100th anniversary of the Department of Agriculture. A distinguished international gathering of scientists, educators, and administrators was present.

A message addressed to the assembly by President Kennedy contained the following passage:

"One hundred years ago today, President Lincoln signed the act of Congress creating the U.S. Department of Agriculture. In the months that followed, there was also enacted into law the Homestead Act, opening our hinterland to settlement, and the Morrill Act, creating a system of land grant colleges. These three acts signaled the beginning of the rich traditions of American farm life which we know today. As we move into the next century of development, those traditions will serve as the basis for the ultimate conquest of hunger—man's oldest, persistent enemy."

The three measures mentioned by President Kennedy and the institutions that developed under them, are largely responsible for turning this Nation's agricultural economy from one of scarcity to one of unprecedented abundance. The remarkable progress that has been made in scientific farming equals in significance our greatest discoveries in atomic energy and outer space.

We have developed an agricultural system in this country that is envied throughout the world and is universally acknowledged as one of the great marvels of the 20th century. One hour of farm labor in the United States today produces seven times as much food and fiber as it did in 1870, three times as much as in 1940, and twice as much as in 1950. Whereas, a century ago 1 American farmworker produced enough food to support himself and 4 other people, today he produces enough for 24 other people.

This astounding agricultural progress has not only presented our people with an abundance of food and fiber, it has also contributed markedly to economic growth in other segments of our economy. To the emerging nations of the world now desperately seeking the industrial development that is the hallmark of a mature economy, the contributions of American agriculture to economic growth provide a significant example.

The most dynamic contributions to economic growth that American agriculture can make in the future will be in the less developed areas of the globe. The "revolution of rising expectations" represents one of the most important aspects of today's rapidly changing world. Only a fraction of the world's population lives in countries the economies of which are able to provide an adequate standard of living.

A good many of these new nations have not yet settled such questions as land tenure and ownership. Most of them face difficult problems in their search for agrarian reform.

The newly developing nations feel compelled to choose the system of landownership and cultivation that can bring about the productivity increases they must have.

At the same time they confront a rising demand by those who till the soil for fulfillment of their age-old dream of landownership.

This one aspect of economic development—the question of individual ownership of the land by those who till it—may hold the key to the whole political and economic complexion of the emerging nations.

Over a century ago, Daniel Webster said that "A republican form of government rests not more on political constitutions than on those laws which regulate the descent and transmission of property."

Like Daniel Webster, I am convinced that if land tenure reform follows the pattern of individually owned and operated family farms, free institutions will be enormously strengthened.

All the evidence we have indicates that both capital formation and increased agricultural productivity will be enhanced if this course is followed.

The incentive of ownership has shown itself to be a powerful mechanism for the creation of capital from labor in an undeveloped economy by such means as digging wells and ditches, clearing land, building roads and dwellings, and raising livestock. Underemployed labor is turned into capital. The same incentive is lacking in cases where the farmer has no opportunity to gain from his added effort.

Conversely, recent history is rife with illustrations of lagging productivity and hunger when individual incentive and ownership were destroyed.

The act to which President Abraham Lincoln signed his name exactly 100 years ago, and which we are commemorating today, provide that " \* \* \* any person who is the head of a family, or who has arrived at the age of 21 years, and is a citizen of the United States, or who shall have filed his declaration of intention to become such \* \* \* shall from and after the first of January 1863, be entitled to enter one-quarter section or a less quantity of unappropriated public lands."

The Homestead Act allowed an individual who settled on a tract of land of up to 160 acres belonging to the public domain, and who built a house on the land and farmed a portion of it, to become its owner after 5 years.

The law's contribution to the settlement and development of the vast central portions of our country is impossible to overstate.

The act provided the incentive for great numbers of Europeans to emigrate to America. The lure of free land not only brought large numbers of new settlers to the new world, it everywhere became symbolic of the aspirations and dreams men had for beginning a new life in a new, undeveloped, but richly fertile, country.

The Homestead Act brought about an expansion that must have exceeded the most sanguine expectations of such early proponents as Senator Thomas Hart Benton, of Missouri. Benton opposed the sale of government land to the highest bidder as "a false policy" and believed that "gratuitous grants to actual settlers was the true policy, and their labor the true way of extracting national wealth and strength from the soil."

Over 1.6 million persons have claimed homesteads on 270.2 million acres of public land in the century since the act became law. This is an area over five times the size of Nebraska. The homesteaders faced great hardships and often tragedy as well as success and fruition in hacking farm land out of the wilderness.

Homesteading continued as a great force of development well into the 20th century. In fact, about two-thirds of all homesteading was done in the first 30 years of this century. It is still going on in Alaska and even in my home State of California.

It helped to lay the basis for the miraculous agricultural abundance which America enjoys today, an abundance which is unequalled anywhere on the globe.

Beatrice is a fitting location for this significant ceremony. Four hundred and eighteen persons filed entries on the day the act went into effect—January 1, 1863. The first man believed to have filed was Daniel Freeman, of Beatrice, who persuaded the U.S. Land Office at Brownsville, Neb., to open at midnight. Freeman is a fortunate name for this first homesteader. A man who owns his own farm is the very essence of a free man. And Freeman is the name of my distinguished Cabinet colleague who has his heart and soul in helping the farmer.

The Homestead National Monument stands on the ground of Daniel Freeman's claim.

I am pleased that the Post Office Department is able to play a part in honoring the homesteaders here today.

We receive each year hundreds of suggestions for stamps to commemorate significant people and events.

We refer these suggestions to our Stamp Advisory Committee, which, composed of distinguished historians, artists, philatelists, and other citizens, represents a wide background of interests and experience. In this way, we have obtained the best possible guidance in choosing subjects and events worthy of commemoration.

Beginning last year, we drastically reduced the number of commemorative stamps issued each year so that the event celebrated by a special stamp will become known to more people than before.

The stamp we are issuing today was designed by Mr. Charles Chickering of the Bureau of Engraving and Printing. It shows a sod hut, with a doorway, brightly lit, against the background of a bleak and wintry sky. A settler with his shovel, the combination that produced the hut, is pictured in the foreground. His wife, dishpan in hands, stands beside the open doorway.

The sod hut was the classic house of the prairie, built of blocks of matted earth. It

was not an ideal dwelling. During the rain the roofs leaked badly and during dry spells the dirt cracked and chipped off in chunks. Insects and small animals found it an ideal nesting place.

But because they were cheap and easy to build, held the heat in winter and were cool in summer, and filled the Homestead Act's requirement for a dwelling, they were the most popular dwelling erected by homesteaders in the plains.

The stamp is blue-gray in color, representing a late evening scene and emphasizing the bleakness of the plains. In the lower righthand corner is the wording "The Homestead Act" and the dates "1862, 1962."

Mr. Chickering says the treatment of his design "while extremely realistic, was obviously symbolic—symbolic of all the present day homes on the plains of which this was the forerunner."

We hope that this stamp will remind millions of Americans of the courageous and enterprising men and women, who, in the memorable phrase of William Jennings Bryan (quoted earlier by Mr. Baker), "gave the world more than they took from it."

[From the New York Times magazine, May 20, 1962]

#### THEY LIVED THE AMERICAN DREAM (By Hal Borland)

Daniel Freeman got his furlough the last week in December 1862, went home to Nebraska, and borrowed a horse and an ax. Blue overcoat flapping in the bitter wind, he rode 70 miles west from Brownville on the Missouri River, cut an armload of stakes, paced off and marked 160 acres of good bottom land on Cub Creek, and returned to Brownville. There he persuaded the Register to open the Government land office for a few minutes just after midnight on New Year's Day, when the new Homestead Act went into effect, and filed a claim to the land he had staked.

Then Daniel Freeman went back to his regiment. Nobody knows which regiment, nor just who Daniel Freeman was, but he made history. His homestead, the first on record, is now a national monument. In a sense, he launched the opening of the West, the conquest of America's last big frontier. The homesteaders who eventually followed him took title to public lands totaling more than seven times the area of all New England, created a dozen big Western States, and shifted the whole political and economic balance of the Nation.

The free-land Homestead Act had been passed by Congress 8 months earlier and President Lincoln had signed it, almost offhand, on May 20, 1862. Lincoln was preoccupied by his search for a dramatic stroke that might bring the Civil War to a quick end. The stroke he chose a few weeks later, the Emancipation Proclamation, did not end the war, but by coincidence it became effective the same day as the Homestead Act, and at the time free slaves seemed more important than free land.

Contrary to popular belief, America has not always been a place of free land for all comers. The earliest settlers did receive free homesteads, but most of the land belonged first to the colonizing companies, then to the Colonies, and after the Revolution, to the States and the Federal Government. It was sold only in large parcels and wealthy speculators bought most of it. The Louisiana Purchase in 1803 added another million square miles to the public domain, but the laborer and the small farmer still couldn't own any of it.

By the 1850's free land was a hot political issue. The East opposed it because it would drain off the cheap labor supply, the South because it would create new antislavery States. But war pressures relaxed the East's opposition, and, in addition, the new Re-

publican Party needed popular support, and the restless, expanding landless class included several million voters.

Except for an occasional Daniel Freeman, there was little homesteading until after the war. Not that there were any difficulties in becoming a homesteader. Anyone who was married or over 21 could file on a homestead for a few dollars' fee. Then all he had to do was build a house, farm part of the land and live there for 5 years. If he had been a soldier, his time in service was subtracted from the 5 years. Eventually this requirement was cut to 3 years and under certain conditions one could homestead as much as 640 acres—a square mile.

But if, in terms of dollars, the land was free, in human terms it was bought with sweat and hardship, courage and dogged determination. The first big wave of settlement began in 1866. That wave took most of the good land east of the 98th meridian, which includes the eastern third of Kansas, Nebraska, and the Dakotas. This was well-watered country, with streams and a good deal of timber, and the homesteaders there followed the classic pattern of pioneering. They built log cabins, burned wood, cleared fields, drank spring water, ate venison, built towns and mills in river valleys. They turned the clock back 200 years to a way of life the East had outgrown and almost forgotten. That phase of homesteading soon passed, however. By the 1870's the frontier had moved on west, onto the high plains. That is where the classic traditions of homesteading took shape, the resolute, bearded men and the brave, sunbonneted women living in sod houses on the high, dry, lonesome land so long possessed by the buffalo, the Indian and the cattleman.

Those traditions evolved in the 19th century, and some historians say the frontier was gone and free land was a thing of the past by 1900. But the records show otherwise. Two-thirds of all the homesteading, incredible as it may seem, was done between 1900 and 1930, and most of it was on these high plains. My own boyhood, in fact, was spent on a typical plains homestead in Colorado in the second decade of this century.

Because of conditions, the plains homesteaders had to devise a wholly new kind of pioneering. The plains had scant rainfall, few live streams, almost no trees, and were officially termed a desert, unfit for habitation, as late as 1876 when the homesteaders were already settling there.

All previous pioneers had been woodsmen, but the ax was almost as useless as a row-boat on the plains. Instead of log cabins, the homesteaders there had to learn to build houses and barns of the tough sod. Instead of wood, they learned to burn the dried dung of buffalo and cattle. Instead of deer and wild turkeys they had to eat jackrabbits. Without streams to float their crops to market, they had to haul or herd them overland. With no springs and few creeks, they had to dig wells and harness the wind to pump water.

They did have a few new tools in their favor, if they could afford them. They had John Deere's steel plow, and they had Cyrus McCormick's reaper. They also had Joseph Glidden's barbed wire with which to begin choking the big cattle ranches to death.

But they still had to sweat and freeze and starve, fight Indians and cattlemen, endure grasshoppers and drouth that took two crops out of three. There was a wry saying that you bet Uncle Sam your life against 160 acres that you could live there 5 years without starving to death. Perhaps half those who took plains homesteads won the bet. The others were starved out, drouthted out, lonesomed out, or just plain quit and went back "to live on the wife's folks."

My grandfather was one of the first wave of homesteaders. He went from Indiana to eastern Nebraska in 1867 and took land not



far from Daniel Freeman's claim. A blacksmith and millwright, he helped organize a county and build the town where my father was born in 1879.

Change had come so swiftly there that my father grew up in a community almost as staid and settled as a small town in eastern Ohio. He became a printer on the local newspaper. But he had an itching foot and land hunger. In 1910, when he was 31 years old, he took my mother and me to eastern Colorado and filed on a homestead 30 miles south of the Platte Valley town of Brush.

We went to Colorado by rail, not in a covered wagon. By then Denver had been settled 50 years and even a small town like Brush had electric lights, municipal water, and a sugar factory.

But our homestead was 100 miles from Denver, 30 miles from Brush and, in basic conditions, even more primitive than eastern Nebraska when my grandfather was a homesteader. The nearest road ended 10 miles from our land. It was 15 miles to a telephone, 30 miles to a doctor. Tricking Beaver Creek with its few stunted cottonwoods, the nearest flowing water and the nearest trees, were 12 miles from us. Our nearest neighbor was 2 miles away. Buffalo bones still littered the hills, but the only Indian was a halfbreed homesteader 5 miles from us, a former cowboy.

My father and I built a small sod house and barn. We dug a well with a posthole auger. We plowed a few acres and planted corn, which range cattle soon raided. Our first team of horses ate a poison weed and died and the last of my father's meager capital went for another team and for fence posts and barbed wire. The second winter my father became seriously sick and we lived on cornmeal mush and jack rabbits. Times were so hard my mother hesitated to write a letter because postage stamps cost 2 cents each.

For 2 years there was no school. Then the neighboring homesteaders built a one-room sod schoolhouse and hired a girl just out of high school to teach a 3-month term. There was no church, but in good weather the neighborhood families gathered at someone's house once a month and sang hymns, read the Bible and thanked God for small favors. Everybody came, including the German-Jewish family and the Irish-Catholic family.

When there was a prairie fire, everybody helped fight it. When a baby was born, there were volunteer midwives. If a man was hurt or sick at haying time, his neighbors cut and stocked the native grass for him.

For the most part, the homesteaders lived on what they could grow. They swapped butter and eggs for salt and flour and coffee. Now and then a man went to town and worked a few months in the sugar factory to get cash for new overalls or shoes or another cow, or to pay a doctor bill. Their common asset was hope. Next year was always going to be better.

Actually, the years didn't vary a great deal for the homesteaders except that now and then they had a good crop. When they did, prices always were low for what they had to sell. But they did have more to eat. The periodic panics and depressions back East always sent new waves of homesteaders West—the jobless and the dispossessed. There had been surges in the seventies, the eighties, the nineties and, after the depression of 1907, the last big surge around 1910.

Then came the First World War. It set off a boom that was felt even on the plains in the form of \$2 wheat. But by then the greater part of the pioneering was done. When that boom died away into the big bust, with the depression and the dust storms of the thirties, a new social and economic order had begun to take over. For

good or bad, the old days were gone. The pioneer homesteader was a person of the past.

What were the homesteaders like, as people? The modern sociologist probably would call them underprivileged, but they were a cross section of the small-town folk and landless farmers of their time. They had little capital, but they weren't afraid of work. They were more venturesome, more determined to get ahead, more insistently individual than their neighbors back home, but they had typical American faults and virtues.

Some were bigots, some were fanatics, some were crackpots. Some were chronic complainers and ne'er-do-wells. But far more of them were intelligent and level-headed, and some were natural leaders. Nearly all were literate, some had a fair amount of education, and all wanted schooling and better opportunities for their children. Their common demand was for a chance to build their own security, to stand on their own two feet.

In the main, they distrusted bankers and hated Wall Street, big business and the railroads. They were suspicious of politicians. They had their own politicians, and their demagogues, and at times they frightened the East with their ideas. But a good many of those radical ideas now are the law of the land—election of U.S. Senators, a graduated income tax, control of Wall Street and big business and the railroads. They even pioneered in granting women's suffrage.

One aspect that seems to baffle historians was the paradox of rugged individualism in personal conduct and opinion, and an equally strong spirit of cooperation in meeting common problems. But frontier life seems always to have been marked by that contradiction. The homesteaders revived it from the Nation's early years. Perhaps because the homestead experience is so recent in our history, its pioneer culture and viewpoint still form a baffling element in our national thinking, a kind of thorn in our conscience.

In a sense, the homesteaders represented the most recent expression of the old, old American dream, the vision of a time and place where a man could build his own security, speak his mind, stay out of debt, and work out his own salvation, both spiritual and material. It was based on the old virtues—work, thrift, justice, self-respect. A good part of it was summed up in the classic advice of a homesteader to his children: "Tell the truth, stay out of debt, don't be afraid of work, and remember when you pray that God helps those who help themselves."

Times have changed, and so have many values. Today we talk of cutting the work week to 30 hours or less, and at the same time we worry about what to do with our leisure. Debt has become almost universal. We have millions of idle teenagers and a juvenile delinquency problem. We build obsolescence into our machines to keep our factories busy. With a glut of farm products, we pay farmers to let their land lie idle. With social security, old-age pensions, and imminent public medical care, we still worry about tomorrow and wonder about our own strength and sanity.

A few years ago, when I wrote a book about my own part of the homestead era, I was surprised at the number of letters I received from onetime homesteaders. Fewer than a half-dozen of them regretted the hardships of the homestead experience; most expressed pride in the achievement.

I took vicarious pride in the far larger number of letters from men and women who had grown up as homestead children. Again and again those letters expressed gratitude for the grit and gristle bred into them by the pioneer experience. Most of them had traveled quite a way, in every sense. They

were scattered all over America, and many of them were professional people—doctors, teachers, lawyers, public officials, preachers. Two were college presidents. Repeatedly they wished there were some way to revive the spirit and revitalize the dreams they remembered from the homestead frontier.

Only a few days ago I received such a letter from a woman whose parents homesteaded in Colorado in 1908. It was a letter full of memories of hard work, crop failure and stubborn persistence, but it also recalled dreams dreamed on summer evenings "when we took the kitchen chairs outdoors to watch the blazing red and gold sunset fade and the big stars come out." It concluded: "Now I realize that we were a part of the history of this country, and I am proud of it."

That chapter of history is now closed. But the homestead era in many ways summarized three centuries of American pioneering and growth toward maturity, and the homesteaders' experience has become a part of our common inheritance. The hopes, the dreams and the verities that sustained them on the sod-house frontier persist in our memories. Those things are old-fashioned now, and sometimes are called as out of date as the Conestoga wagon. But they did help to shape the American pattern, and we still haven't found anything to take their place.

#### LICENSING FEE PROPOSED TO BE CHARGED AMATEUR RADIO OPERATORS

Mr. HRUSKA. Mr. President, I have recently received several letters opposing the proposed \$5 licensing fee to be charged amateur radio operators by the Federal Communications Commission. This matter is known as FCC docket 14507, and is entitled "Establishment of Fees for the Commission's Licensing and Regulatory Activities."

My correspondents make logical arguments against this proposed rule. Some of them are as follows:

First. These amateur radio operators should not be required to pay any fees because of services rendered to the country, such as providing emergency communications in time of disaster.

Second. Even when there is no disaster, amateurs provide a most useful service by annually sending thousands of messages, free of charge, across the Nation and around the world. For example, there is an amateur radio station at the South Pole.

Third. If the FCC plans to decrease the number of radio amateurs, it should do so by raising the standards of its examinations, not by imposing financial requirements.

Fourth. The fee would be an onerous burden for any operator who frequently moves, as the \$5 fee would be charged him for every change of address.

Fifth. Many Federal agencies do not charge any licensing fees, even for commercial purposes; therefore, the FCC should not levy any fees upon amateurs.

Mr. President, I ask unanimous consent to have printed in the RECORD a resolution from the Lincoln, Nebr., Mars Club, Inc., signed by Larry G. Keating, as well as letters from Paul Ackerman, of Milford, Nebr.; Robert H. Fricke, of Ashland, Nebr.; and John F. Zimmer, of Lincoln, Nebr. All of them state well and effectively their reasons for opposing this proposed \$5 licensing fee.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

LINCOLN MARS CLUB, INC.,  
Lincoln, Nebr., April 13, 1962.

SIR: By unanimous legislative action on the part of the Lincoln Mars Club, Inc. (a nonprofit, educational corporation), the following resolution was passed on the night of April 13, 1962:

"Resolved, That the Lincoln Mars Club, Inc., is against the charging of fees for amateur license application."

The following reasons are hereby given for our opposition to the amateur fees proposed in FCC docket No. 14507.

1. It charges both amateurs and commercial stations without realizing the gross difference existing between the two.

(a) Commercial stations operate at a profit, and are allowed certain tax deductions.

(b) Amateur radio stations operate at a loss since the amateur radio operator is not allowed to charge any fee for his services, even though the amateur uses his equipment for civil defense, Red Cross, and other such public services, he is allowed no tax deductions on his radio equipment. In fact, in the State of Nebraska, and in other States, a personal property tax is leveled against his equipment.

2. Because of the great benefit to this Nation, and the public at large due to amateur radio services, it should be the public at large's charge to maintain the FCC along with fees derived from stations of commercial nature.

(a) The Radio Amateur Civil Emergency Service is the backbone of civil defense communications, yet the fee ruling would apply to those stations supporting this vital program.

(b) Radio amateurs have proved over and over again their need to the Nation by providing emergency communications in floods, tornadoes, etc., with no financial profit to themselves.

3. This fee would discourage prospective citizens from becoming amateurs.

(a) As a professor at the University of Nebraska has stated, this fee would be heaviest upon those of the younger generation, and those working themselves through college. It would, in fact, decrease the number of people going into ham radio, and thus decrease the number of electrical technicians, and engineers which are so vitally needed today.

(b) \$5 may not seem like much, but it is a great deal to the younger generation, especially considering the high cost of amateur equipment.

(c) It would decrease the number of young people entering the armed services with prior electronic training.

4. If the FCC wants to cut down the number of radio amateurs, it should do so by raising the standards of its examinations rather than letting the rich in, and the poor out.

5. This fee would be a terrific expenditure for anyone who does a lot of moving inasmuch as the \$5 fee would be charged him everytime he happened to move, and apply to have this change of address known to the FCC. A very large number of Government employees fall in this category.

6. Every year amateurs send thousands of messages, free of charge, across the Nation, and across the world. Also amateur radio has provided a means by which servicemen overseas can talk to their families back home (there is an amateur radio station at the South Pole for instance). This is a very great morale booster provided to the Armed Forces by amateurs.

7. Even members of the Military Affiliate Radio System would have to pay this fee. This would mean that if the proposed fee

was to be adopted, the FCC would be taxing an activity sponsored by the Federal Government which is vital to our national defense.

8. Through such organizations as the American Radio Relay League, amateurs help the FCC to police the amateur bands, thus amateurs save the FCC a great deal of money every year.

9. There are many radio business concerns which would be hurt because:

(a) A decrease in the number of amateurs would decrease the number of customers that they have.

(b) The \$5 fee would be \$5 less for the amateur to spend on radio equipment.

Neither of the two conditions would help any of the many industries associated with the manufacturing of radio equipment, and it isn't entirely impossible that such conditions could raise equipment prices contributing to the already upward spiraling price trend.

10. A great number of scientific advances have come about through the efforts of amateur radio. Why in any way try to hinder these efforts?

11. Many already existing Government agencies at the present time charge no license fee, even for commercial purposes. For instance, are airlines charged to support the FAA budget? Are marine and water carriers charged for coastal and river control? Does it cost you a fee to take a civil service examination? Of course not. Then why should radio amateurs be charged a fee just so that they can perform this great Nation a great, and needed service?

In conclusion, we of the Lincoln Mars Club, Inc., are against the proposed fee for amateur radio operator applications (FCC docket No. 14507) as we believe that it would not be in the best interest of amateurs, nor the people of the United States of America. Amateur radio, our country's biggest diplomat, should be helped not hindered.

The FCC has established May 16, 1962, as the deadline to contact the FCC concerning this matter. In order to file a comment with the FCC you must send your original comment in writing along with 14 copies of it (1 for each commissioner) to: Federal Communications Commission, Washington 25, D.C.

We, along with the American Radio Relay League and amateurs all over the country would appreciate any opposition to FCC docket No. 14507 that you can provide.

Respectfully,

LARRY G. KEATING,  
Special Secretary.

MILFORD, NEBR., May 8, 1962.

Senator ROMAN L. HRUSKA,  
U.S. Senate, Washington, D.C.

DEAR SENATOR HRUSKA: I have been informed by the newspapers of a proposed change in the issuance of amateur radio license procedures and the establishment of certain fees for a license. This new change is now being considered in Federal Communications Commission docket No. 14507 which is now up for hearings.

Senator HRUSKA, I firmly believe this license fee arrangement is another encroachment by the Federal Government and its regulatory agencies upon the citizens of this country. I am opposed to this fee being charged for this type of license. If it were possible, I believe this activity should be encouraged and expanded. It is the amateur electronic experiments which have helped to develop the electronic field which we have today. This change is also being opposed by the American Radio Relay League which is almost a clearinghouse for the thousands of radio "ham" operators in the United States.

Your assistance and efforts in opposing this measure before the FCC will be greatly

appreciated. If I can assist you in any way, do not hesitate to contact me.

Sincerely yours,

PAUL L. ACKERMAN.

FARMERS & MERCHANTS  
NATIONAL BANK,  
Ashland, Nebr., May 9, 1962.

Hon. ROMAN H. HRUSKA,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR HRUSKA: We need your assistance in opposing FCC Docket No. 14507 in the matter of establishment of fees for the Commission's licensing and regulatory activities. The FCC has extended to May 16 the date for filing comments on this proposal.

As an amateur radio operator, I am opposed to FCC docket No. 14507 for the following reasons:

1. A considerable amount of the Commission's work concerning amateur radio operators is done by the amateurs. The FCC is authorized to prescribe such fees and regulations determined to be fair and equitable but cost analysis shows that the proposed fees to be paid by amateur radio operators will more than pay for the FCC's services to the amateurs. This makes it a tax.

2. Is the Government planning to charge the airlines for the FAA budget, the marine and waterway carriers for coastal and river control, etc?

3. The number of licensed amateur radio operators would undoubtedly decrease, meaning fewer applicants for RACES (Radio Amateur Civil Emergency Services) and MARS (Military Affiliate Radio System). Also many future electrical engineers, military electronic technicians, etc., get their start as amateur radio operators.

4. The amateur radio operator, by law, may not accept pay of any kind for his services. The commercials, however, do charge for their services and count any repairs to their equipment as tax deductions.

Further information is contained in the April 1962 issue of QST magazine. The American Radio Relay League, West Hartford, Conn., has filed against this docket. Any assistance in opposing FCC Docket No. 14507 will be appreciated.

Yours very truly,

ROBERT H. FRICKE,  
Amateur Radio, WOPOL.

KOKKV,  
Lincoln, Nebr., May 8, 1962.

Hon. ROMAN L. HRUSKA,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR HRUSKA: The writer took up amateur radio as a hobby after a coronary in November of 1953 and a repeat in June of 1954, and he has spent many happy hours on the air talking to other hams in this country and elsewhere in the world.

One of the things which has impressed me as a newcomer to the hobby is the dedication of the amateur radio operator to his hobby and the pains he goes to to provide public service when regular communications facilities are out of order.

Perhaps the most impressive feature of amateur radio is that it is a readymade emergency service available on a minute's notice throughout the entire United States and elsewhere in the world. To provide communications facilities even one-tenth as effective as amateur radio would cost billions of dollars.

Many amateur radio operators are youths. Many electronic engineers of today started out with amateur radio. Many amateur radio operators are of limited means.

There is a bill pending before Congress to charge a fee of \$5 for an initial license or for a change of address or for other changes in an amateur's license.



The writer has always felt that Federal services, insofar as is possible, should pay their own way, and this fee would in no way interfere with the writer's operation of amateur radio frequencies; however, this should be the last facility on which a charge is made, not among the first, because it will discourage or actually make it impossible for a large number of future amateur radio operators as well as for present operators. In our opinion, the harm from the passage of this bill in the reduction of these communications facilities would be very serious.

The American Radio Relay League has voiced its opposition to this proposal and the writer would like to voice his opposition also. We think it is a serious mistake to consider this charge for the amateur radio license.

There is another piece of legislation which has to do with permitting nationals of other countries to operate amateur radio in this country. The writer has traveled extensively in Europe, including Russia, and Canada, and expects to travel in Mexico and Central America this fall. In many areas, he is denied the use of the air waves simply because our laws prevent the nationals of that country from the use of our amateur radio facilities.

This particular bill seems to be buried under a mass of confusion and it seems to us that we might be missing a source of world relations in denying use of the amateur frequencies to visiting amateur radio operators from many other countries. We cannot see that this refusal to operate does the slightest bit of good. If a radio operator intended to use radio for a clandestine operation, it would be so easy to do so that it is ridiculous, in our opinion, to continue to refuse the bona fide visitor to America who is an amateur radio operator the use of our air waves.

The writer would personally appreciate your voting against a charge for a license fee for the amateur radio operator and for the proposed bill to permit visiting nationals of other countries who are amateur radio operators the use of amateur frequencies in this country.

Very sincerely,

JOHN F. ZIMMER, Jr.

#### THE PRESIDENT'S TRADE PROGRAM

Mr. FULBRIGHT. Mr. President, before the end of this session the Senate will consider the legislation to implement the President's trade program. The fundamental issues involved in this measure are the most important to come before the Congress in recent years.

The consideration of this measure requires an objective appraisal and understanding of the operation of the European Common Market if we are to have the kind of trade program under which international trade will be expanded on a beneficial, fair, and truly reciprocal basis.

The United States has supported the concept of the European Economic Community in the belief that closer economic cooperation may ultimately lead to Western European political union. Because of our desire to support the welding of the European nations together into a greater and stronger force, we should not blind ourselves to Common Market policies which are detrimental to our vital interests and harmful to the European Economic Community itself. We must take a realistic attitude which recognizes the dangers as well as the promises of this trading bloc.

Although the European Common Market may enhance the possibility of closer political union between the six-member countries, it is emerging as more than just a European arrangement. The Secretary of State pointed out recently that it will be the center of a trading system which branches out into Africa and other continents. It has associated with it some 16 independent countries and a number of areas of varying degrees of dependency which constitute what is now known as the Associated Overseas States. These states have free access to the Common Market.

The United Kingdom, the hub of a world trading system of more than 60 countries and territories, with a total population of three-quarters of a billion people, and a system built upon tariff preferences in the sterling area, is currently negotiating for an association of its system with the Common Market. Other nations have applied or indicated an intention to apply for membership in the Common Market. Denmark and Ireland have applied and Norway is following suit. Sweden, Austria, and Switzerland have announced their intention to seek "association" with the Common Market. No one can predict with certainty the eventual scope of the trading system that will be embraced within, or associated with, the EEC. It is obvious, however, that the establishment of such a far-flung preferential trading system will bring about fundamental changes in world trading patterns. It is of the utmost importance that we fully understand these changes and that we adopt positive policies to assure the establishment of trading principles which will allow U.S. goods equitable access to this market. If trade is to be mutually beneficial it must be equitable. It must be based on sound economic principles. Free competitive trade, established on the basis of comparative advantage, should be the goal of both U.S. and Common Market trade policies. Such a system will promote the economic growth of all nations by bringing about a better allocation of resources and promote the strength and security of the free world.

The Common Market policies on certain agricultural commodities do violence to the principle of comparative economic advantage. The Common Market movement to impose a system of variable levies on some of our farm products, including wheat, corn, rice, and poultry, is a giant step toward protectionism. This policy not only adversely affects the United States but will also work against the long-range interests of the European Economic Community.

The Common Market farm policy on these farm imports does not measure up to the professed objectives of the European Economic Community. It is inconsistent with the principles which the Common Market countries pledged to observe under the General Agreement on Tariffs and Trade. They are protectionist in nature and the antithesis of free and fair trade. These proposals represent, with respect to agriculture, a return to isolationism that tends to destroy the progress that has been made toward lib-

eralization of trade under GATT in this area. The proposed trade barriers could be destructive of a large segment of our agricultural export trade, regardless of how competitive our products may be. These barriers are far more dangerous than similar barriers that have been imposed in the past by individual nations. Bloc action will bring bloc results. It is imperative that our Government maintain a position against such restrictive measures. Tools must be provided to give the President bargaining power to prevent these new barriers from being established against U.S. goods, and to insure reasonable access for our agricultural products to the European Common Market area.

The EEC trade barriers which will have the effect of keeping many of our agricultural products at a permanent disadvantage take the form of "gate prices," "equalization fees," "preferential duties," and similar devices. As an indication of how this policy will operate to keep our farm products out let me illustrate their application to poultry products.

Poultry and egg products constitute a major agricultural item in the United States. These products are the third largest producer of cash farm income. They are produced and marketed freely and competitively without subsidy or price support. Our poultry is competitive in foreign markets. The export potential for our poultry is expanding rapidly. In only 5 years our poultry exports have increased from almost nothing to the point where we are the leading nation in foreign poultry sales. Our exports to the Common Market area in 1961 were over 150 million pounds. These exports are a substantial source of dollars.

It is estimated that the new Common Market barriers if fully imposed could more than double the existing duties and almost equal our on-the-farm price. These duties are already high. Germany, the principal poultry importer in western Europe, is currently imposing a duty on poultry of 15.9 percent, amounting to some 5 cents a pound when applied against the current export price. In contrast, our import duty on frozen broilers is 3 cents per pound or about 10 percent ad valorem.

The obvious effect of these Common Market restrictions will be to exclude U.S. exports and to preempt unto the Common Market countries themselves as much of the market as they choose—despite the competitive position of our products or the uneconomic nature of their domestic production. The Common Market by these proposals intends to exclude competition and create a captive market rather than expand trade. This is not trade liberalization, it is trade strangulation.

The consequences of this agricultural policy are grave and far reaching. This approach endangers the spirit of western unity which we have encouraged as the goal of the Common Market. If such policies are looked upon by the EEC as legitimate instruments of international trade to be used against our competitive agricultural products, the

fabric of western unity will suffer. It is only logical to assume that demands will grow for retaliation against EEC products that are competitive in our market. The Germans would, I am sure, be outraged if we imposed a system of variable levies on their Volkswagens.

Our agricultural export markets are vital to the national economy as well as to farmers. These exports are a source of dollars which are an important factor in ameliorating our balance-of-payment difficulties. The agricultural products on which the EEC wants to keep us at a permanent disadvantage make up about \$400 million in trade with these nations. If these exports are cut off, as they could be under the proposed policy, our balance-of-payments problem will become even more difficult. There is no assurance that these or other exclusionary measures may not be employed against other U.S. exports. If such unilateral action, in violation of the spirit of GATT, can be taken with impunity against these farm products it can also be used against other products.

The issue involved here is one of principle and a reasonable and fair solution must be reached if our relationship with the Common Market is to grow and flourish.

The loss of agricultural exports which may result if the Common Market agricultural proposals are imposed on our agricultural products will weaken our ability to carry the heavy financial burden which the United States now assumes in the effort to protect and strengthen the free world.

The barriers proposed by the Common Market would destroy the competitive position our farm products have gained through efficiency. They are the antithesis of freer trade and can only operate to create frictions within the free world.

I understand that our negotiators have not accepted the principle proposed by the EEC that would insulate their producers from U.S. competition even though the policy on poultry is scheduled to be placed in effect on July 1. The way has been left open for further negotiation, and we must insist upon full exercise of our rights and privileges under GATT. Our officials should press vigorously for full compliance by the EEC with both the letter and the spirit of GATT. It would be belittling for the United States to make further concessions in an effort to buy the reduction or the elimination of these barriers.

We are at the point now where the representatives of our Government must exert greater effort to impress on our friends in the EEC that if we are to progress toward a mutually beneficial trade partnership and a more open trading world in which our most efficient industries—theirs as well as ours—can share in expanding markets, we will not stand by and permit the establishment of new and more restrictive trade barriers against our products. The demands of the new trading world will undoubtedly require many adjustments—but such adjustments must be designed to promote efficiency and to expand trade—not to contract it.

Passage of the President's trade bill is essential to reaching a solution to this problem. It will give us flexibility and strength for bargaining purposes that we do not have under the Trade Agreements Act which expires at the end of this fiscal year. Any agreement we reach with the Common Market must provide assurance that our farm products will have reasonable access to the Market. There must be no agreement which would help one segment of our economy at the expense of another.

The challenge to freedom posed by Communist imperialism is grave and is likely to remain so throughout the lifetime of the present generation of Americans. The growth of an Atlantic community, of which the President's trade program is a vital element, is compelling evidence that time, if we use it wisely, is on the side of freedom, not communism. The prospect of an enlarged European Economic Community represents a formidable challenge to the United States—a challenge which we can confidently accept—and it also represents an unexampled opportunity. Western Europe is moving toward the attainment of a mass consumption economy comparable to our own. The adjustments will not be easy. The Common Market move toward protectionism in agricultural trade is a disturbing development. The failure to follow the law of comparative advantage in agriculture is not in their economic interests or ours. If the full potential of the Common Market for promoting Western strength and unity is to be achieved they must adopt a more realistic attitude toward agricultural trade.

#### TRIBUTE TO DR. ARTHUR C. MAGILL

Mr. LONG of Missouri. Mr. President, few men have what can honestly be described as distinguished careers in their chosen field. And, Mr. President, it is an extremely rare occurrence when a man chalks up not one—but two outstanding records of accomplishment during his span of working years.

But, just such a man, Dr. Arthur C. Magill, outstanding educator and devoted public officeholder, announced last week in Cape Girardeau, Mo., that he will retire from public life at the end of this year. He has given more than 60 working years to his fellow Missourians and to his fellow Americans, as a schoolteacher, college professor, research scientist, and then, at a time when most go into retirement—Dr. Magill launched a new career that took him to the Missouri State Legislature and county government.

Such a record is a truly inspiring example of devotion to public service. Most men must be content to settle for much less, and even so, account well for their lives. But, not Dr. Arthur Magill, for there is a part of the story that has not yet been told. The good doctor's love of his fellow man, and burning desire to spare others the grief, pain, and tragedy that struck his family in the typhoid plague of the early 1900's, spurred him to another career which paralleled all these other labors. Vowing to give all possible of his training, education and

efforts to eradication of dread typhoid, he has given nearly three score years to the development of better water testing methods and the introduction of chlorination in his section of Missouri. His services have always been available—without charge—to all who sought them. Though his public life is ending, his war against typhoid will continue.

That, briefly, has been the life of Dr. Arthur C. Magill—educator, scientist, politician, and humanitarian. Although his name may not ring with familiarity in future generations, human lives will forever bear the mark of charitable love from this man, whose life is true greatness.

Mr. President, so that my colleagues and other readers of the CONGRESSIONAL RECORD may know more of this great man, now in the ninth decade of a full and wonderful life, I ask unanimous consent that a personal sketch of Dr. Magill, from a recent issue of the *Hannibal, Mo., Courier-Post*, now be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### OCTOGENARIAN TO LEAVE PUBLIC SERVICE AT END OF THE YEAR (By Don Gordon)

CAPE GIRARDEAU, Mo.—A young Missouri schoolteacher in 1908 answered personal tragedy with a dedication that has outlasted his two careers and spared countless families from the sorrow he knew.

For Arthur C. Magill—retired educator and active public officeholder—never forgave the typhoid plague which had killed his brothers, crippled his sisters.

The Cape Girardeau octogenarian at the end of this year will leave the public service with which he filled six decades, but he is not abandoning his original vow to do everything possible to combat typhoid fever.

"There was nothing altruistic about it," Dr. Magill explains. "I just didn't like the idea of other people suffering the same grief I had."

The fever invaded the Magill home in rural Ray County, striking down Dr. Magill's mother, three sisters, and two brothers. The boys, aged 18 and 21, died, and two of the sisters were left with twisted spines.

Dr. Magill, already 7 years into a teaching career that would span half a century, was the principal of the school at Bonne Terre.

There and then began Dr. Magill's personal vendetta against typhoid.

As his family had burned with fever, so he burned with the determination to fight back.

The testimony as to how well he fought is this:

He introduced chlorination to southeast Missouri; he helped develop a better method of water testing and he put it into practice by testing about 35,000 samples of suspect water.

He performed this service without charge for any who asked. He showed them the way to purify their water supply.

Of the early samples, he recalls, about 75 percent contained typhoid germs. In later years, few were infested with the bacteria, probably the best summation of the outcome of Dr. Magill's grudge fight against the disease.

While this private war was going on, Dr. Magill was rising from rural school rooms to become head of the science department at Southeast Missouri State College. This post he took in 1924.

He joined the faculty as a science teacher in 1909 and it was here he was able to work



against the disease which had robbed him of his loved ones.

He began by developing a system of purifying the Cape Girardeau city water supply, through settling basins and chlorine. Chlorination was perfected in 1918 and a better system has never been devised.

To the present time, Dr. Magill has looked after the city's water supply, keeping watch on its purity.

Upon his retirement from the college faculty in 1952, he went immediately into politics.

A Democrat, he was elected to two consecutive terms in the Missouri House of Representatives and is serving his third term as a member of the Cape Girardeau County Court.

He will not be a candidate for reelection this year and the second of his two careers will have ended.

Dr. Magill was educated at the University of Missouri, Washington University in St. Louis, and George Peabody College in Nashville, Tenn.

He and his wife live in Cape Girardeau but their eight children are scattered throughout the country. One son died 10 years ago.

Before Dr. Magill retired, Southeast State College built a monument to him, a new science hall bearing his name.

This was high tribute, indeed, but perhaps the greatest monument to Dr. Magill are those untold, unidentified, living people who because of his efforts have never known the scourge of typhoid fever.

#### NEED FOR CONSTRUCTIVE FARM LEGISLATION

Mr. LONG of Missouri. Mr. President, the farmers in my State, even with the emergency agriculture programs now in effect, are not receiving net income commensurate with other segments of our economy.

Farmers in Missouri realize that elimination of all governmental programs as they relate to price support and supply management could lead only to chaos, bankruptcy of farmers and eventual bankruptcy of our entire country.

It is on this premise that I wish to speak in favor of constructive farm legislation embodying supply management and price supports as recommended by President Kennedy and Secretary Freeman.

I have conferred with Mr. Fred V. Heinkel, president of the Missouri Farmers Association in our own great State of Missouri, who has served and is now serving as Chairman of the National Advisory Committee on Feed Grains and Wheat. Mr. Heinkel advises me that he and the farmers he represents are well satisfied with the results, including the upward of \$1 billion increase in farm income, of the 1961 feed grains program.

I know that Missouri farmers in general feel this same way. But, it is Mr. Heinkel's firm belief the Food and Agriculture Act of 1962 should be adopted by this Congress to provide long-term, constructive farm legislation, incorporating into such legislation mandatory supply management provisions backed up by adequate price supports, and to become effective only when the producers of the various commodities have voted by two-thirds majority to accept the supply management principle.

It is estimated by competent economists that the productive capacity of

American farms has only begun to be developed, and by the year 1980 there will be upward of 51 million acres of productive land in the United States which will be surplus to the needs of our country in producing food and fiber for domestic consumption, the food-for-peace program, in which we aid our friendly neighbors abroad, and the maximum export of agricultural products.

I am convinced that the farm problem as we have it now can be corrected; that production can be brought more nearly in line with consumption; and, in so doing, net farm income can be materially increased and our national economy stabilized.

I can detect among Members of Congress representing large metropolitan areas a feeling that they cannot much longer support agricultural bills which continue to pile up costly surpluses, and undue burdens on the taxpayers.

This problem of continuing surpluses has always struck me as being economically wrong for both the farmers and the Nation. As both a farmer and a businessman, I cannot but compare this situation with that of the merchant who badly overstocks his store. That merchant might be able to battle his way out of one such mistake, but he cannot continue his error year after year without going broke. He must use good supply management—which the agriculture program proposes—in order to be a success. The farmer should have this same opportunity.

This legislation, if enacted into law, will serve to alleviate this problem also.

The bill also provides gradual adjustment which will permit stabilizing the entire economy and will not allow grass to grow in Main Street of our Missouri towns. In fact, it should help insure good business in our towns because farmers would be sharing in the national prosperity.

It is my opinion that the Congress of the United States is dutybound to enact this legislation, which, in effect, is only enabling legislation and will become effective only when farmers themselves have had the opportunity to vote by commodities whereby they accept or reject these programs as permitted under this legislation.

#### VOICE OF THE PEOPLE

Mr. WILEY. Mr. President, as a public—dependent upon, and guided by, the will of the people—we are, today, witnessing a great battle of the airwaves, and of the mails, to influence public thinking on national issues.

Realistically, this is a fundamental process of our system. Nevertheless, we must, in my judgment, attempt to maintain balances and perspective.

Unless this is done, first, the will of the people will not be accurately expressed; and second, significant issues may be submerged in a propaganda war.

My newsletter this week contains an article reflecting upon the need for "keeping our heads" in this situation. I ask unanimous consent to have the article printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

#### VOICE OF THE PEOPLE

In a republic of government "of, by, and for the people," progress depends not only upon the consent, but also the support of the governed.

As citizens of a free country, we are blessed with a dual heritage: (1) Of a secret ballot voice for election of servants of the people and (2) opportunity to influence, for example by petition, day-to-day policymaking in the Nation.

A recognition of the powerfulness of the voice of the people, however, is encouraging ever greater efforts, governmental and non-governmental, to influence public thinking on national issues. This, too, is a legitimate right under the Constitution. An educated citizenry, moreover, is necessary for successful working of our system. Realistically, there can be strong, honest, convictions, even though conflicting, on significant aspects of issues. As targets of a barrage of irrefutable facts on both, or several, sides of an issue, however, Mr. and Mrs. Citizen, like legislators, face the need, obligation, and responsibility of: Sifting the propaganda from the facts; weighing valid, and sometimes counterbalancing, factors; objectively evaluating the proposed remedy in relation to the need; and, finally, making a decision to best serve the people and the country.

As a free nation, we depend upon you, Mr. and Mrs. Citizen, for independent, well-informed judgments, not parroting of would-be influencers, to make the right decisions to meet the challenges of the times.

#### PROPOSED WITHHOLDING OF TAXES ON DIVIDENDS AND INTEREST—TAX CREDIT FOR BUSINESS INVESTMENT IN MACHINERY AND EQUIPMENT

Mr. THURMOND. Mr. President, the distinguished and able senior Senator from Virginia [Mr. BYRD] is a man who attracts attention when he speaks, not only because of his important position as chairman of the Senate Finance Committee, but also because of the great prestige he has attained as a staunch advocate of sound fiscal policies and as an expert on revenue matters. Last weekend Senator BYRD issued a statement on two aspects of the pending tax legislation, the proposals to withhold taxes on dividends and interest and the proposal to grant a tax credit for business investment for new machinery and equipment. His statement has already drawn strong praise by the eminent news columnist and magazine editor, Mr. David Lawrence, and also from the editors of the Sunday Star. I ask unanimous consent, Mr. President, to have the column by Mr. Lawrence entitled "BYRD's Stand on Two Tax Proposals" which was printed in the Evening Star on May 21 and the Sunday Star editorial entitled "Mr. BYRD Opens Fire" which was printed on May 20 to be printed in the Record following these remarks.

There being no objection, the editorial and article were ordered to be printed in the Record, as follows:

#### MR. BYRD OPENS FIRE

Chairman BYRD of the Senate Finance Committee has dropped a real blockbuster on administration hopes for two of its favorite tax proposals—a withholding levy on dividends and interest, and a credit for

business investment in new machinery and equipment. Mr. BYRD opposes both.

There are special reasons, of course, why the firm position of a single Senator signifies more in this instance than is normally the case. Over a long period of years, the Virginia Democrat has become recognized as an outstanding authority on fiscal legislation. As such and as chairman of the committee handling this legislation, he is quite influential in Senate consideration of measures in this field.

In taking his position against the withholding plan, Mr. BYRD subscribes to vigorously expressed criticisms. In brief, they are that administration of the plan would be complex, if not impracticable and unworkable; that it would overtax people least able to afford it for extended periods, and impose hardship or inconvenience upon tax-paying citizens, the businesses charged with the tax-collecting chore and even upon the Internal Revenue Service itself in handling exemption claims, refunds and so forth. Instead of embarking upon this highly questionable experiment, or at least before doing so, the Senator recommended a full trial of the automatic data processing system which the IRS already is installing. In this connection, Mr. BYRD cited earlier Government testimony that use of this system "would increase Federal revenue by \$5 billion."

On the investment credit plan, Mr. BYRD referred to the broad range of opposition—including that of industry itself. He emphasized particularly that it would be discriminatory in many respects, including a gift of benefits to companies that happened to be willing or able to make capital investments at the right time as against those lacking investment funds or having no valid business reason to expand or modernize production facilities. In its uneven application, the Senator said the plan would result in a tax windfall to some companies and nothing to others. As the alternative in this instance, he urged reliance upon liberalization of depreciation allowances—already promised by the Treasury Department.

This opening shot by the Finance Committee chairman is, to say the least, bad news for the Kennedy administration. But we think the Senator is right.

#### BYRD'S STAND ON TWO TAX PROPOSALS (By David Lawrence)

A Democratic Senator who has spent the major part of his career of nearly 30 years in Congress studying taxes and finance has come out against two important provisions of the Kennedy administration's tax bill—the withholding of taxes on dividends and interest and the proposed 7- or 8-percent credit on new machinery and equipment.

The Senator is HARRY F. BYRD, of Virginia, chairman of the Finance Committee, which has just finished comprehensive hearings on the bill.

Over the weekend the position taken by Senator BYRD was briefly reported. But the exact words he used in announcing his differences with President Kennedy are significant and worthy of careful examination by both sides in the controversy. He said:

"I oppose enactment of the withholding proposal at this time for numerous reasons, including:

"1. Withholding taxes on interest and dividends cannot be compared with withholding taxes on salaries and wages. Its administration would be terribly complex, if not impracticable and unworkable.

"2. It would, by its inherent deficiencies, overtax people for extended periods, and impose hardship or inconvenience not only on taxpaying citizens, but also on institutions and businesses used by the Government to collect the taxes.

"3. Respect for our tax system must be maintained. It is necessarily complex

enough. Unnecessary confusion must be avoided. The agitating characteristics of this proposal are already clear from public reaction. Tax evasion cannot be condoned, but this withholding proposal should be enacted only as a last resort.

"4. An alternative is available, and it should first be given full trial. The Internal Revenue Service is now assigning numbers to taxpayers to eliminate identification difficulties, and at the same time it is installing computers to show currently what taxpayers owe the Government, and vice versa. This combination should and will provide information for effective curtailment of tax evasion."

Now, the foregoing is directly opposite to some of the statements made by President Kennedy at his press conferences recently, but it does represent a rapidly developing sentiment among members of both parties in the Senate.

The administration has stressed the fact that some people evade taxes, but it has ignored the practical difficulties that face those honest citizens who would be unlawfully deprived of the use of their income that is really not due as taxes but would be withheld by corporations and savings banks as a result of new laws compelling such steps. It is the problem of overwithholding that really has caused the furor. Likewise, the alternative plan of helping tax collection through a wider system of informational reporting to the Government of payments of interest and dividends would seem to be adequate for the Treasury's purposes.

What is perhaps just as significant in Senator BYRD's remarkable statement is his argument against the so-called incentive credit to which the administration has pointed as an example of its friendliness toward business.

The Virginia Senator says he opposes the incentive credit also for numerous reasons, including the following:

"1. It is wrong in principle. It is in the nature of a Government payment before the fact instead of a credit for an accomplished fact.

"2. It is a subsidy in the nature of a windfall to be given to businesses which comply with a Government policy.

"3. It is discriminatory in its application among various businesses, even among those similar in kind. Incentive is a stated purpose of the proposal, but it would be retroactive to last January 1, and it is difficult to understand how the provisions would be an incentive for investments made before it is enacted. It would be a bonanza for certain corporations which would reach \$600 million.

"4. An alternative is available. The Government has the authority, and belatedly is now taking action, to modernize Internal Revenue regulations to provide realistic depreciation credit for plant and equipment."

Despite all the talk of what the investment credit plan would do, Senator BYRD points out that a recent McGraw-Hill survey found the investment credit would boost investments by only 1 percent, or \$300 million. There would be windfalls by which some corporations would gain a great deal. While the United States Steel Corp., for instance, might get a credit of from \$5 to \$6 million, a different company in another field might receive a \$350 million credit in a single year. This is why the measure is attacked as discriminatory.

Most businessmen also would prefer a permanent system, and not a plan that can at any time be revoked, since it is designed primarily as an antirecession measure. The managers of America's enterprises like to plan their expansion or modernization over a 5- or 10-year period. The viewpoint expressed by Senator BYRD is unquestionably upheld by the business world today.

#### AMERICAN PRISONERS OF WAR IN KOREAN CONFLICT

Mr. FULBRIGHT. Mr. President, time and the tide of subsequent events have largely laid to rest the passions and anxieties that beset us a decade ago when we were engaged in the bloody but indecisive conflict in Korea. But time lends perspective as well as forgetfulness, and there is much about the Korean conflict that we can understand better now than we could 10, or even 5, years ago. Many aspects of the Korean war caused us anguish and frustration. It was something new in American experience—a limited war fought for limited purposes in which strategy was a function more of political than of military considerations.

One of the many aspects of the war in Korea that caused us great anguish and self-doubt was the behavior in captivity of the American prisoners of war. It has been said that the collaboration by a few American soldiers with their Chinese Communist captors evidenced shocking moral decay, reflecting not only on the individuals involved but on the entire society in which they were bred. Conversely, it has been contended that these men were the helpless victims of fiendish scientific techniques of brainwashing.

As we look back from a vantage point in time of several years, we can discern two rather striking things about the discussion in the mid-1950's of the behavior of our POW's: first, that we sought answers in bizarre and exotic theories—such as brainwashing and moral decay—without considering motives and stimuli that might lie within the spectrum of normal, if not noble and heroic, human behavior; second, that we were preoccupied, almost morbidly, with the behavior of the small minority of POW's who collaborated and the still smaller minority who offered genuinely heroic resistance to their captors, while we paid scant attention to the behavior—or non-behavior—of the vast majority who "played it cool" and passive, offering neither cooperation nor resistance to the Communists.

In an article that appeared in the Washington Post on May 13, Mr. Julius Segal, a psychologist with the National Institute of Mental Health, who has given careful study to the behavior of American prisoners of war in Korea, offers a new and enlightening perspective. Mr. Segal's thesis, as I understand it, is that the behavior of the collaborators and "resisters" alike, and the behavior of the passive majority as well, can be largely understood in terms of the normal human drives and motives that spring from American life and society, without reference to draconic theories of brainwashing or moral decay. Mr. Segal concludes from his study that "the only shameful element of the entire episode" was "our readiness to sit in uninformed moral judgment on our repatriated POW's."

Mr. President, I ask unanimous consent that Mr. Segal's article, which examines a painful episode of our recent history with perception and compassion, be inserted in the Record at this point.



There being no objection, the article was ordered to be printed in the RECORD, as follows:

**THE POW FAULTS THAT WE HATED WERE OURS**  
(By Julius Segal)

(NOTE.—A psychologist with the National Institute of Mental Health in Bethesda, Segal spent 7 years in psychological warfare research as a staff member of Army contract research groups at Johns Hopkins and George Washington Universities. His article is based in part on those studies, but the conclusions are his own.)

It is now 7 years since the Korean fighting was stilled. Among the elements of that strange conflict that are best remembered today, the behavior of our prisoners of war stands out. Relatively few citizens continue to feel much involvement in the Truman-MacArthur unpleasantness, or in the variables affecting our decision to cross or not to cross the Yalu, or even in the fateful commitment to stand fast on that peninsula in the first place.

The POW episode, however, with its new and painful lexicon of human behavior, brainwashing, collaboration, "give-up-itis," remains fresh in our memories and still evokes strong feelings and opinions. The more recent spectacle of an American civilian pilot confronted before a world audience by his Soviet captors renewed our concern with the stance of Americans, in uniform and out, who find themselves on the front lines of the cold war. And congressional inquiries into troop indoctrination procedures have further intensified public interest in the question of POW behavior.

Eugene Kinkead, reporting the results of his long look at official files and intensive Pentagon interviews, concluded that our prisoners in Korea piled up "a sad and singular record." More recently, a newspaper columnist summarized the views of an MIT psychologist close to the problem. "Americans who were prisoners of the Red Chinese in Korea," he wrote, "are victims of a giant 7-year-old smear campaign."

The social scientist is awed that two such divergent assessments could be made of the same episode. Evaluators can be found along a broad spectrum—from those who indict all our POW's (together with their delinquent parents and teachers who never bothered to prepare the kids for an encounter with Chinese Communist interrogators), to those who seem equally intent on proving that all of our men did the impossible (military historians, please stand back) and came marching out of the prison compounds as a cohesive, spit-and-polish, high morale group that had thwarted the captor at every turn.

The myriad responses we at home have made to the American POW versus Communist captor drama are in many ways much more potent in their cold war implications than the spectrum of behaviors evidenced by the captives themselves. In the Korean compounds, as much, perhaps, as in the Warsaw ghetto, John Hersey's conviction that "events are less important than our responses to them" rings true. From the denial of any national responsibility for collaboration to self-blame strangely akin to Communist-inspired confessions; from the smug rationalization of all possible misconduct to the attribution of guilt to virtually all segments of American society; from a blanket endorsement of the efficacy of Communist brainwashing techniques to a frantic searching for answers in obscure personality traits—all of these responses, and more, have been played out on the American scene as a result of the showing of our prisoners of war.

During the internment of Francis Gary Powers we saw among ourselves the same varied attempts to explain the behavior of an American under the hot stresses of the cold war, attempts that lay bare significant value systems and social perceptions of many

Americans. The responses of our citizens to the personalized drama of the East-West psychological war provide a kind of national Rorschach of aspects of the American personality.

What are the facts, as far as scientific inquiry can define them, to which we have responded with such variability and heat? What did the Chinese Communists try to achieve by manipulating their captives in Korea? What techniques of human exploitation did they use, and how successfully? What factors led some of our men to yield to the enemy's demands while others resisted?

Most of the "factual" answers to these questions available today are hardly that. Unfortunately, rigorous and meaningful social science data cannot be produced from the comfort of an armchair, nor can complex human motivations be clarified solely through introspection, at whatever level.

In this essay, descriptions of the events that transpired in Korea are derived from the results of a 2-year research project by a team of social scientists directed by me at George Washington University. While distortions of the data reported in popular magazines, lectures, and learned journals have naturally occasioned a degree of professional chagrin, it is clear in retrospect that these very distortions carry potent meaning when viewed against the backdrop of events that inspired them. They are clearly symptomatic of a nation in some pain, of a society made uncomfortable and defensive by the light reflected from that lonely Pacific peninsula.

When our POW's left their shabby compounds for Panmunjom and freedom, there began among us a search for an appropriate stance to adopt toward the 3,400 hollow-eyed repatriates and toward the world we knew was watching us and them. To begin with, no one could say for sure how extensively our men had collaborated with the enemy. Word had gotten through that some of our POW's had behaved in ways friendly to the Chinese Communists and inimical to our interests. But how many?

The question continues today to find a startling number of answers. Estimates, some of them quite categorical, uninformed and unsupported by data, have varied from "a few" to "all but a few," from 3 percent to 90 percent. It is likely that the Communist world has been as gratified by the national consternation and anguish reflected in this numbers game as it was by whatever human weaknesses it may have exploited in the bleak Korean prison camps.

The difficulty lies, of course, in the variability of our definitions of collaboration and in the fact that many who have mouthed the most finely chiseled statistics on this score have done so without even so much as a vague anchor in mind. Do we regard, do we want to regard, as a collaborator any soldier who speaks words to his captor other than his name, rank, and serial number? If so, it can be safely said that virtually all of our men were guilty; they talked (although many talked back) to their Chinese Communist interrogators.

Or was the collaborator the soldier who, without understanding the real ramifications of his behavior, contributed even one item (a radio broadcast, say, or a petition) to the enemy's propagandistic arsenal, under whatever pressure? In that case, nearly three-fourths of our men were collaborationist, among them, incidentally, a sizable number who were subsequently decorated for their overall resistive behavior. Or do we assign the term only to those who were ideologically influenced by their indoctrinators? The proportion here would sink to a handful at most.

The most meaningful criterion for categorizing returning POW's, it seemed to us in doing our research, was an administrative

one, based on the intensive review of each prisoner's case history then (late 1954) underway by the Army's legal experts. Using judgments freshly made by these authorities, three distinct groups of POW's were isolated.

Fifteen percent were identified as "participants"—a word coined to avoid using the term "collaborator," already emotionally toned and laden with value judgments. These were men whose behavior in POW camps had led at that time either to their court-martial or dishonorable discharge, or who were being considered for such action, or who would have been so considered had they not already been discharged from the military service.

(Had our research taken place at a later point in time, the percentage of men in this category would have been considerably lower, for many men slated for administrative action were exonerated. Indeed, only a handful of repatriated POW's have since been found "guilty" by military-legal criteria.)

Five percent were termed "resisters"—those who had been either decorated or recommended for decoration as a result of meritorious behavior in captivity.

The remaining 80 percent, identified simply as a middle group, was made up of men against whom the Army had little or no derogatory information, or about whom there was sufficiently conflicting information to preclude placing them in either of the extreme groups.

Only after this trichotomy was established did we plunge into the prisoners' files, containing the verbatim transcripts of the Army's intelligence interviews, medical histories and psychiatric evaluations, and codify the data for purposes of dispassionate statistical analyses.

Many of the results ground out of the computing machines ran counter to our own hypotheses and to popular misconceptions. It soon became apparent, however, that these misconceptions were too well entrenched to be shaken even by contrary evidence drawn from research data. Here were malignantly faulty interpretations of events that (not unlike the neurotic's private distortions) are, at a national level, symptomatic of a somewhat pathological state.

The widespread conviction and fear, for example (still unresolved in many quarters), that large numbers of our men were ideologically converted by exotic brainwashing techniques, was nowhere in evidence from that data. Eighty-eight percent of the returning POW's gave no indication of having accepted even a shred of the propagandistic material fed them in captivity. Among those who did, more than half returned with only the mildest understanding of communism or an affinity for the captor's ideological pronouncements and persuasions. Yet the brainwashing myth gained ever-increasing momentum during the post-Korean decade, even among those quite familiar with the contrary results of a number of studies.

By accepting out of hand the fact that the enemy drew magical tricks out of its arsenal of exploitative techniques and used them indiscriminately on our men, we managed to rationalize what must be a nagging fear that many Americans are not altogether well tuned in on our national and political ideals.

In the phenomenon of brainwashing, an extremely specialized and clinical technique that can be applied only to individual cases, we found a ready mechanism for assuaging our guilt over the ideologically inept behavior of our incarcerated GI's—guilt, it turns out, that our POW's had little reason to bear, a kind of neurotic, projected guilt that we neatly foisted on our POW's, only to wash them (and us) clean again by crying foul over the supposedly uncommon powers of the enemy.

In focusing on ideological concerns, we managed also to display a classic exercise

of denial as a neurotic defense mechanism. In our obsession with brainwashing, we avoided admitting into our collective consciousness one aspect of our values that was quite clearly reflected in the behavior of some of our POW's: a readiness to act on material inducements.

On a number of occasions, the validity of our research findings was challenged because they showed the importance of material concerns as a prime motive for whatever collaboration had taken place. This, unfortunately, was not consonant with the preconceived convictions of many on the matter. Cooperative activity, it was argued, must have been ideologically inspired and there are some who, sharing this belief, maintain today that we can strengthen the fiber of our warriors (in Korea their average education was the ninth grade) only by teaching them the virtues of Jeffersonian democracy as against the dialectic errors of Marxist communism.

There is in operation here a perverse denial of a *modus vivendi* that, in the post-Korean decade, was abundantly apparent on the American scene, one that was necessarily part of that part of us we sent to do battle in Korea. Although we at home are often clearly moved more by things than ideas, we evidently would wish our soldiers, quite miraculously, to do otherwise—even in the sordid and deprived conditions of captivity, where an extra cigarette, a pass into town or a warm blanket takes on a psychologically ravishing meaning that few of us can begin to appreciate.

Our statistics made clear that collaborative behavior in the Korean compounds can be understood in terms that are altogether of this world, and not of a magical one in which brains are laundered wholesale.

The Chinese Communists viewed their prisoners primarily as a rich source of potent propaganda materials. In exchange for petitions, for confessions, for radio broadcasts (to name just a few of the propaganda bullets our men were put upon to manufacture), the enemy offered the kind of material rewards all of us can understand and appreciate: creature comforts and freedom from fear and the threat of pain.

Those few POW's who made the bargain were quite frank in describing it when they came home. In a world of barbed wire blanketed by fear, a world in which the enemy's goals were obscure and difficult to comprehend, it was susceptibility to material inducements, our results showed, that best explained the behavior of that very small proportion of our men who "collapsed" before the enemy's psychological onslaughts.

Those who failed to gain comfort from the brainwashing myth turned instead to an equally inappropriate defense against their projected guilt—a kind of cathartic confessional of grievous sins (whether real or not) committed by our men, an exercise that often amounted to national self-debasement. In the anguish of introspection that followed the release of our POW's, there arose in the breasts of many Americans the conviction that the behavior of our men was uniquely shameful, a disgrace to our Nation's heritage and history. What is more, we said so unabashedly to the world.

The responses of our POW's to uncommon stress were seen as symptoms of a growing moral and spiritual decadence of the military, of the decay of what one self-righteous military psychiatrist called American "butts." Clearly, a materialistic strand in the fabric of our Nation was showing, and we meant to envelop only our soldiers with it.

Nowhere was this perverse attitude better crystallized than in Eugene Kinkead's book, "In Every War But One." Korean, Kinkead would have us believe, was unique; in no other war did American POW's behave so poorly. Like many others, he completely confused stimulus with response. The Ko-

rean POW episode was, indeed, unique—not in the behavior of our men, but in the machinations of the enemy that produced it. Never before were our POW's put upon in such a methodical and intensive fashion to provide tangible contributions to an enemy's propaganda effort; never before was such a subtle blend of rewards and punishments so cunningly mass administered to captives.

The responses of some of our men to inducements of preferential treatment and freedom from fear were hardly new, either to POW's or to the American scene. They can be found in operation from sea to shining sea—in politics and business, for example—a fact that renders our excessive shame and recriminations over the bedraggled POW's not only poignantly misplaced, but strongly suggestive of a collective, neurotic guilt complex.

Moreover, each American (or so it seemed) had his own pretentiously psychoanalytic diagnosis pinpointing that single aspect of American life which paved the way to collaboration with the enemy. Interestingly enough however, each theorist managed to defend himself from guilt—a clear case of psychological dissociation.

I have heard religious leaders lay the blame on educators, educators put the finger on permissive parents and parents decry the soft life that the electronic age has tendered us. In every instance, the suggested hypothesis served to relieve its originator from guilt. Everyone—yet no one—was guilty.

As numerous as the value judgments pontifically pronounced over the heads of the repatriates were the attempts made to pinpoint the single factor that might differentiate the soldier who collaborates from one who resists. Here, again, our discomfort was apparent, and again, lack of data was no deterrent to those with strong opinions.

During the many reports given to military and scientific groups, listeners inevitably expressed their own and often strange hypotheses to explain why one American would yield in an encounter with the Communists, while another would resist. One psychologist insisted, for example, that if only he had the data, it would show that the middle child is likely to be a collaborator, the youngest child a resister. A tall lieutenant believed that it was all a matter of body build with the shorter men more likely to yield. Many, of course, insisted that the collaborator, like the delinquent, springs from the old bugaboo of the amateur sociologist, the broken home. These were—all of them, I am convinced—projections of the listeners' own private concerns.

The data are clear. No demographic or biographic characteristics of the usual kind distinguished the few extreme collaborators from the resisters. Their ages, their intelligence quotients, their geographic origins, the solidity of their home backgrounds, their military ranks, the religious affiliations emblazoned on their dog tags—none of these, our research showed, were differentiating factors. Our need for simple explanations of complex phenomena could not be satisfied here. The Army's Korean POW's were clearly composed of men not unlike the members of any random American group—city slickers, country folk, the rich, the poor, the devout, the pagan—an amazingly small number of whom took the avenue of least resistance when the going got rough enough.

In the final analysis, the behavior of an American POW in Korea bespoke a response to awful stress that springs from the very fabric of one's being, from all of the intricate and intertwining personality traits and value systems that are incorporated by us all through a process of psychological osmosis.

What, for example, motivated a few of our POW's in Korea to inform on their fellows? Eleanor Roosevelt saw here a direct reflection of the quality of American education;

the collaborator, it follows, suffered inadequate education, while the resisters profited from superior training. Perhaps so; I rather doubt it. Nor am I convinced, as others claimed, that the POW statistics demonstrate that our religious leaders have let us down, or our athletic directors, or, indeed our pathogenic mothers and fathers.

Psychoanalytic explanations are inappropriate here. The behavior we regarded as so repulsive to our conscience might be understood, for example, in purely contemporary terms, as only geographically distant from a society in which those refusing to point the finger of guilt in the direction of their fellows ran the risk of punishment. The era of McCarthyism, it should be noted, did not pass unexploited by the captors of our men.

In searching for the answer, a penchant for seeing the world in black and white came through clearly. Our tendency to see all issues in unqualified terms, all dramas as peopled by the good guys and the bad guys, stood out in bold relief in the national consternation over our repatriated POW's. Our concern was almost entirely with the participant and the resister—equated in the public mind (though not in reality) with the moral and ideological weakening and the selfless hero.

The fact that these two groups of prisoners together comprised less than 20 percent of the returning prisoner population was somehow disregarded. Forgotten was the bulk of our men—the middlemen, or "fence sitters," as they were called—men less intelligent than either the collaborators or resisters, men who blended with the scenery, "played it cool" and rode out the storm without committing themselves to any action. Here were thousands of Americans, it would seem, who represented an extension behind barbed wire of those millions of us who make up the lonely crowd—the inert, the inactive, the indifferent, the uninformed.

Our evidence is that the middle men differed considerably from both of the extreme groups, the latter being strangely alike in some basic ways. Psychological test data, for example, suggested that both the collaborator and resister had greater latent psychopathic proclivities than fence sitters. They were men, that is, who had to act on their conflict, in any direction, whether it was by making a propaganda broadcast or by punching a Chinese guard.

The great mass of our men, on the other hand, simply withdrew as best they could. They resisted only little, seldom collaborated and received neither the preferential treatment of the collaborator nor the punishments of the resister. And, interestingly, there is evidence that they went into the Army with a propensity for inaction, a tendency to avoid close social contact of any sort and to bypass conflict situations. There were, for example, more single men among them than among the remaining prisoners, and their histories show less frequent participation in athletics and clubs.

It seems clear that most of the men sent to Korea were without a strong capacity for self-commitment, without either a well-defined pro or a con in their being. In terms of military training, the challenge would appear as much to arouse the soldier as to deter him from negative action, and our lack of emotional concern with the fence-sitter group bespeaks a strange and frightening regard of inaction as an acceptable mode of behavior. There is a strong suggestion here that the withdrawal of personal involvement in issues of national importance was a way of life so much a part of us that its reflection in Korea raised nary an eyebrow.

With our national defense mechanisms shorn away, it becomes clear that the Communists laid bare in their barbed-wire laboratory a spectrum of American behavior—from collaboration to fence sitting



to resistance—along which each of us can find a place. These were not 7,000 rare and strange men; they were part of us. They were part of a decade in which informing on one's fellow, even under the television lights in a Senate hearing room, could be a piece of behavior to be rewarded; in which the safest, most acceptable action was often to join the lonely crowd and sit, uninvolved and uncommitted, on the sidelines, and in which assertive resistance to threat and blackmail—as in the air space over Berlin or in Korea itself—was not only possible but fruitful.

Our readiness to sit in uninformed moral judgment on our repatriated POW's was, I believe, the only shameful element of the entire episode. None of us can fairly condemn the men who suffered the indignities and privations of Korean captivity. Yet many did, without even secretly questioning how they would have cast their lot.

The dawn of the orbital age does not yet eliminate the possibility that future Koreans will be encountered in our Nation's struggle for equilibrium with the East; new chapters in the psychological conflict between Communist and American human beings may yet be written. Whatever the merits of the arguments now being set forth about military information and education programs, we cannot expect our uninformed leaders alone to transmit, *de novo*, the knowledge and the values that make for excellence in the citizen soldier. Before we dare again to point the finger of guilt at those of us whom we send to do battle—hot or cold—we must strive collectively to understand the motives and the goals of our potential adversaries.

As Marine Commandant Shoup has suggested, we must expect our military leaders to train soldiers not so much to hate as to fight, with all the skills and cleverness that any kind of confrontation may demand. Our men trapped in Korean captivity could have better used a repertoire of techniques for escape and evasion than an aggressive textbook on comparative political ideologies. Most important, the stance of self-sacrifice so prized in battle must be born of us all.

#### PROVIDENCE PRESERVATION SOCIETY

Mr. PELL. Mr. President, I invite attention to a wonderful and courageous work on the part of the Providence Preservation Society. More than 900 public spirited citizens labored together for 6 years to restore historic Benefit Street to a semblance of its former beauty. These historical and architectural gems had been almost destroyed by time and inattention. More recently, while many restorations have taken place in the College Hill district, no project has been as spectacular as the rescuing of this northern section of Benefit Street.

"A Mile of History" is justly applied to Benefit Street and adjoining North and South Main Streets, and it is with pardonable pride that Rhode Islanders point to the houses of those responsible for the early development of our State. Of particular interest are such homes as that of John Howland, a close friend of Paul Revere and a leader in the movement to establish free public schooling on this continent. Perhaps the most imposing residence in the north Benefit Street area was the home of Thomas Dorr, leader of the 1842 Dorr Rebellion to establish universal male suffrage.

However, I would like to emphasize that the work of the Providence Preser-

vation Society has more than local significance because, through its efforts, new conceptions in urban renewal and historic preservation have come about. The College Hill Study, which was made possible by a grant from the Federal Government, led to the new interpretation that, in urban renewal, all buildings need not be torn down. The principle was established that, when such buildings are significantly historical, restoration may take place and the work may still fall under the urban renewal program. Naturally, the structure's architectural merit, relationship to its surroundings and physical condition, would also be taken into consideration.

Mr. President, let me state that all of us in Rhode Island are greatly indebted to the endeavors of such leading citizens as John Nicholas Brown, Mrs. William Slater Allen, Mrs. D. Eldredge Jackson, Jr., Washington Irving, and Mrs. Antoinette F. Downing. Through their hard work and civic pride and enthusiasm, the symbols of the past are being restored for everyone to see, that we may be reminded of the glorious heritage and the grave responsibilities that are ours.

It is my fervent hope that in the years ahead, the Providence Preservation Society will not only continue the great work it has done in the past, but may even accelerate its program of restoring historical Providence. It is my belief that all Rhode Islanders, yes, all Americans, should take pride in the history of Providence and that they will join with those who are working directly in these projects in bringing the ideas of the Providence Preservation Society to full fruition.

#### PRIVATE ENTERPRISE ENTHUSIASTICALLY SUBSCRIBES TO EXPORT-IMPORT BANK OFFERING

Mr. JAVITS. Mr. President, within the last month a heartening but little-noted event has demonstrated the great reservoir of U.S. private enterprise interest in and support for the program of the Export-Import Bank under President Harold F. Linder. I refer to the recent development by the Bank, in an attempt to stimulate greater participation of commercial banks in the business of the Export-Import Bank, of a portfolio fund, which permits commercial banks to invest in the program and thereby reduce the amount of Treasury borrowing by the Export-Import Bank.

The portfolio fund consists of a pool of maturities falling due over the next 10 years. During April the Bank invited the more than 70 commercial banks in the United States which had previously joined in the Bank's financing operations, to purchase certificates representing interests in the fund. The certificates bear annual interest at the rate of  $4\frac{1}{4}$  percent, and the initial offering was in the amount of \$250 million.

It is extremely gratifying for those of us who are convinced of the private enterprise potential of this Nation that the offering was oversubscribed three times. A total of \$300 million in certificates was in fact issued. This is indeed a striking demonstration of the

confidence of the commercial banking community in the Bank's program and in the great export potential of the United States.

I ask unanimous consent to include in the Record the Export-Import Bank's announcement.

There being no objection, the report was ordered to be printed in the Record, as follows:

#### THE FIRST EXIMBANK PORTFOLIO LOAN FUND

A new departure in providing funds to finance the Bank's operations and to increase the participation of commercial banks in export financing was initiated last month. Eximbank created a \$250 million pool of loans which it had outstanding of approximately 10 years' maturity and offered commercial banks which previously had joined Eximbank in export financing the right to buy participation certificates bearing interest at the rate of  $4\frac{1}{4}$  percent. In turn, these participations may be sold by the commercial banks to their correspondents. Eximbank has made provision to repurchase at the end of 2½ years, and at semiannual intervals thereafter, the certificates sold; at the same time the Bank has reserved the right to call the certificates on corresponding dates.

The Bank undertook to fill all subscriptions up to \$2.5 million to enable the smaller banks to participate fully. The issue was substantially oversubscribed and since the Bank reserved the right to allot up to 20 percent more than the original \$250 million offering, subscriptions to the extent of \$300 million were accepted.

In commenting on the offering of the participation certificates, Eximbank President Harold F. Linder stated that it was consistent with the congressional mandate of Eximbank which requires the Bank to supplement and encourage private capital. The Bank portfolio fund was established within that spirit, to make possible a broader participation by commercial banks in Eximbank lending operations. It is believed, Mr. Linder also stated, that the distribution of these certificates will result in a broadening of interest among U.S. commercial banks in facilitating the export of our industrial products, thus contributing significantly to our national objectives.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Is there further morning business? If not, morning business is closed.

#### FOOD AND AGRICULTURE ACT OF 1962

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which is S. 3225.

Without objection, the Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. EASTLAND. Mr. President, before the debate is over, I will offer an amendment to the proposed Ellender amendment on feed grains which will provide that a farmer can grow on his own land feed grains for consumption on that land without price support.

It appears to me that we should not deprive a man with a herd of cattle of the right to grow feed for his own cattle. I do not believe that the Senate is prepared to further adopt the Russian system. That is what is involved in the mandatory feed grain provision.

The amendments of the committee chairman, for whom I have the highest regard, are supported by a minority of the Committee on Agriculture and Forestry. In fact, these amendments, after weeks of testimony and about 2 weeks of deliberations by that committee, were stricken from the bill. They were found by the majority of the committee to be not in the public interest.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. HOLLAND. Does the Senator from Mississippi have any idea, even a remote idea, that the majority of the committee would have reported the bill favorably if the provisions in the original bill affecting feed grains and wheat had not been stricken or largely changed by a majority action before the final vote?

Mr. EASTLAND. There is no question about the fact that the bill would not have been reported to the Senate with those provisions in it. If a committee ever studied and worked hard on a proposal, the Committee on Agriculture and Forestry worked on these proposals and defeated them.

The Department of Agriculture says that 75 percent of the feed grain production in this country is consumed on the farm. Eighty-five percent is consumed on the farm in the localities where it is grown. These are farmers that grow part of their feed grain requirements, and then buy a few bushels on the outside. Why put them into a straitjacket? Why destroy them in order to get at the 15 percent who are overproducing? That is where the problem is.

Mr. President, I am opposed to the proposed amendment that would strike the voluntary feed grain provisions currently in operation and extend them for 1 year in this bill and that would substitute permanent mandatory feed grain provisions.

First, the provisions of this bill were submitted to Congress by the U.S. Department of Agriculture and enacted into law for the 1961 crop year. The administration hailed this program as a success and recommended its extension. At their request the provisions were extended to this crop year and the results are even more impressive. The farmers understand this program, they are participating in it, and apparently they like it.

The idea of compulsion, which we find in the amendments that will be offered, is foreign to the American system. Mr. President, I say to you, sir, that we should have a voluntary program, which is now the law.

It is said, "We have a 6-month supply of feed grains ahead of us." What is a 6-month supply, Mr. President? We ought to have a 6-month supply. It is in the national interest that we do have a 6-month surplus on hand.

The Department reports that on April 12, farmers had signed up to put in 43.2 percent of their feed grain base. Out of a total of 2,763,795 farms producing both corn and grain sorghum, 1,194,077 were entering the program. This million farmers signed up to reduce their corn plantings by 22,321,800 acres and grain sorghum farmers signed up for 6,653,100 acres, for a total of 28,974,900 acres. This is an increase in the number of farms signing up and in the number of acres retired for both corn and grain sorghum over the previous year.

The effectiveness of this program has been stated by the Department of Agriculture to the effect that feed grain supplies will be reduced approximately 200 million bushels. This was brought about by a reduction of approximately 500 million bushels in total production from the retired acres. I agree that this program is effective. In any year in which we can reduce our feed grain supplies by 7½ million tons we have made substantial progress. The increased acreage retired this year would indicate that even more progress will be made. This is an encouraging outlook because of the increasing consumption of feed grains in our livestock and poultry industries, which I will discuss later.

Mr. President, this amendment would provide a mandatory program of feed grain reductions with penalties applied against the farmer on production above his allotment assessed at 65 percent of the parity price on his normal production. This penalty would coerce farmers into compliance with the program if it passed in a referendum. In a great many instances it would prevent farmers from growing the necessary feed grains for the livestock on their farms. Farmers could not afford to grow their feed grain requirements, incurring the costs of production and then paying a penalty of its market value in dollars.

I submit, and I will cite figures later to show it, we have a great number of work stock on the farms in every area of the United States. In many instances, if compulsory feed grain legislation is enacted farmers will be unable to grow the grains necessary to feed their own livestock, their own work stock.

The adoption of this amendment, then, would force farmers who have previously grown their own feed to reduce their cattle, hog, dairy and poultry production to the same extent that they would be coerced into reducing feed production.

When we grow less feed grain, fewer cattle will be produced. Then what happens? The price goes up. When the price goes up, what happens? Imports come into the country. Cattle and meat products come in from Canada and Mexico in tremendous numbers, as I am going to show in a minute.

Cattle and other livestock from those countries are not fed the feed grains produced in the United States. In fact, the proposal would tend further to aggravate the surplus in those commodities.

The farmers' only alternate would be to enter the market and purchase the feed, that under this program they could

not produce, at the market price, plus freight and handling costs. This would necessarily increase their livestock production costs and at the same time would deny them the full use of their capital investment in land, production equipment, livestock facilities, and marketing facilities. These increased costs would necessarily be passed on to the consumers, or the alternative would be to further reduce the farmers' margin of profit, which is now the lowest of any segment of our economy. I am reasonably sure that those farmers who have signed up to reduce their grain production are commercial grain producers. The farmers who are growing livestock have not entered this program, or if they have, they have had to sell off part of their livestock.

Mr. President, I object to this amendment because the application of it would freeze the production of feed grains on and to present farm operations. New farms would be deterred from producing feed grains. Those with allotments would have to plant that allotment in order to protect the right to produce in the future. Voluntary reductions in feed grain production could not be made. The rotation of crops could not be fully practiced for the purpose of developing and conserving our soil and water resources.

In the South, in the past several years, 28 million acres have been taken out of cotton. That land has largely gone into the raising of livestock. There is in this country a continuing demand for livestock. The feed grain amendment would stop dead in its tracks the expansion of the livestock and dairy industry into the South. There is a demand—there is a necessity—that livestock production in the United States be increased.

Mr. President, I further object to the amendment because its application would also work an extreme hardship in the Southern areas of the country. In the South farmers rotate soybean and oat production. This is necessary because with our climatic and soil conditions oats cannot be grown on the same land continuously. Small grain fields, after the second year, tend to become infested with vetch and other winter cover crops and with murdock and other obnoxious weeds. After the second year in small grains the land must be put into row crops that are clean cultivated in order to eradicate these broadcast crop pests.

It is not uncommon for a farmer in the South to switch his oat production to soybeans at fairly regular intervals. The adaptability of the land, drainage problems and other factors will cause a variation in the amount of small grains and soybeans planted from year to year. Normally after 2 years of clean cultivation, land can be put back in small grains where it provides grazing during the winter and contributes both grazing and grain to livestock production.

The freezing of crops to the land that would be brought about by this amendment would be a deterrent to our changing agriculture. The ability of our farmers to shift crop production to meet market demands here at home and abroad has constituted one of our



greatest strengths in dealing with international problems. The use of agricultural commodities through Public Law 480 sales for economic developments in foreign friendly countries has done as much to cement those friendships as has our progress in atomic weapons. The freezing of crops to the land would prevent our farmers changing from grains to grass and other crops as new and improved and adapted varieties are developed to fit our climatic and soil conditions.

An allotment becomes capitalized in the land. It affects the value of a farm. I know that in many instances crops which are under allotment—for example, cotton and rice—are planted solely because the farmers desire to protect and preserve their allotments. That is what would happen if the feed grain amendment were adopted.

Mr. President, I am convinced that the program envisaged in this amendment would produce more grains. The allotments would become capitalized in land values as the right to produce becomes restricted. We have seen this happen with crops under acreage controls. This is particularly true in the case of tobacco and cotton, and in some instances in the case of rice. I know that in the case of cotton, farmers have bought adjacent land in order to obtain a larger cotton allotment for more economic and profitable production. I think the combining of cotton, grain, and cattle farms throughout the Nation is a result of this need on the part of our farmers. In the case of cotton farms, they can be combined where farms are leased for long periods of time and the allotment worked on the better land.

Farms in the cotton and tobacco producing areas without allotments are worth considerably less than those with substantial allotments on a per-acre basis. In many instances where the entire farm cannot be bought or leased, farmers lease the cotton or tobacco allotments separately from the rest of the farm at very high rentals.

In cotton, we have endeavored to avoid forcing the producer to plant his allotment in order to protect his right to plant. Some years ago we provided that a cotton farmer could surrender his allotment to the county committee for reallocation and protect his history of planting for allotment purposes. Under this provision the farmer must plant a measurable amount of cotton once every 3 years in order to retain the allotment for his farm and to retain the value of the allotment for future years.

No such provision for surrendering allotments and protecting them for history purposes is contained in this amendment.

#### WILL GET MORE GRAIN

It follows, therefore, that the grain farmer with an allotment would have to plant it and produce the grain. This is not the way to obtain reduced production in crops that are in surplus. Much land which would be planted to grain crops would otherwise be switched to crops for which there was a higher market demand, and on which could be realized a greater profit.

A further objection to this amendment, arising out of the conditions I have just discussed, is that it would increase the farmer's costs of production and would aggravate the cost-price squeeze in which he finds himself. First, the reduced volume of production would have to bear an amount of taxes and capital invested in farm machinery and facilities equal to that which the present base now bears. Mr. President, it is perfectly obvious, from my own personal experience, that the smaller the acreage in a revenue-producing crop, the higher the per-unit cost of production; and a higher unit cost of production will offset a moderate increase in price. In fact, it will not increase the farmer's net profit. The only saving the farmer might make would be in labor costs. The larger farmer who requires outside labor could take advantage of this one adjustment. The family farmer who provides his own management and labor would simply find himself further unemployed. This condition would further stimulate the combining of farms and the movement of farmers to urban areas, seeking industrial employment.

Under the voluntary provisions of the bill, the farmer would have a choice: Those with livestock could produce according to their needs. Those producing for sale could reduce their production, as they are doing now, and thus contribute to the solution of our surplus grain problem.

Adoption of the proposed amendment would bring about two very unpleasant situations: First, it would increase the farmer's costs and would lower his net income, as I have just pointed out; second, it would increase consumers' prices, and thus would raise the cost of living. It is my understanding that we want to avoid both of these conditions. Certainly this is my purpose, and is the basic reason for my support of the provision of the bill which has so graphically demonstrated that it can reduce our surpluses, maintain farmers' income, and permit farmers to exercise a choice in the utilization of their land and capital resources.

Mr. President, we have been told that to adopt this amendment, with its restrictive provisions and controls, would simply be to apply to feed grains the same methods that currently are being applied to cotton, tobacco, rice, and peanuts. These commodities do have mandatory programs. They are suffering from some of the ills I have mentioned previously, such as capitalizing the allotments in the land. We have been told that farmers are satisfied with these programs; and this is partially true. However, when the rest of our cropland is placed under mandatory control programs, and when the farmers' ability to use their land base to produce crops for the markets is reduced, we shall run into opposition. To further restrict their base of operations would affect their production of livestock and livestock products, and would so straitjacket agricultural production for the future that I believe farmers would rebel. It would prohibit farmers from exercising their judgment and from utilizing research information to develop new crops

and varieties which have enabled the farmers to produce so abundantly to meet our needs and those of the countries allied with us in our effort to preserve human freedom.

I know that cotton farmers in Mississippi who visit me while I am at home and who come to Washington annually, or who through their organizations make their petitions concerning cotton acreage allotments and price supports, do not want the remainder of their land regimented in this manner.

I wish to point out a further difference between feed grains and these controlled commodities: The combined acreage of cotton, tobacco, rice, and peanuts is less than that planted to either oats or barley. The combined acreage is less than half of that planted to corn; and in dealing with the feed grains, we are talking about an acreage more than four times as large as that involved in all these controlled crops.

There is another substantial difference between feed grains and these crops. All of the cotton, corn, tobacco, rice, and peanuts are produced for the commercial market and are consumed off the farm. We are told by the Department of Agriculture that 75 percent of the feed grains produced are consumed by livestock on those farms. Eighty-five percent of all feed grains are consumed in the immediate area of production. Only 15 percent of the production, then, moves into commercial channels of trade outside of the immediate production area. So the production lies with that 15 percent. Certainly, Mr. President, all farmers who produce feed grains should not be put in a straitjacket, should not be placed under bureaucratic control, in order to reach the 15 percent who have created the problem. Instead, we should deal directly with the 15 percent. This is the reason why mandatory controls have never been applied to feed-grain production. Grain farmers who feed all of their production, and oftentimes buy additional grain, would be opposed to this program. I am not at all sure but that these farms representing 75 percent of feed-grain production, would vote down these mandatory controls, along with the coercive restrictions their land and capital utilization would receive. This is a danger we must assess before we vote such restrictions into law.

I have already pointed out that enactment of this amendment would prevent further expansion of livestock production in the southern areas of the country. I should like to document the exodus from cotton restrictions to more profitable farming enterprises in the South. I should like to start with my own State of Mississippi, to illustrate what is happening. I have before me the 1961 Annual Report of the Copiah County ASC Committee. This report states that the cotton allotment for the county in 1961 was 9,495 acres, to be allocated to 1,673 eligible farms. Eight hundred and eighty-six of these farms released all or part of their allotments. This was done by more than half of them, and they released a total of 4,304.5 acres; 1,293.8 acres of these allotments were reallocated to the farms in the county, and 2,663.6 were released to

the State ASC committee, for reapportionment to other counties requesting acreage.

This is an amazing transition of cotton allotments moving from farms in south Mississippi, until we look at the alternatives that farmers are choosing. The same report indicates that 117 farms used ACP money to establish permanent pastures on 682 acres of land. This utilized over 12 percent of the available ACP funds in the county. Nine hundred and six farms used these funds to improve 7,896 acres of existing pastureland, which used 73 percent of the ACP funds. A total of 85 percent of the available ACP funds in this county were used to establish or improve pastures on over 1,000 farms during the year, at the same time when these farmers released 4,300 acres of their cotton allotment.

This transition is not taking place in Mississippi alone. Last year the farmers in North Carolina released 17.9 percent of the State's allotment, or 90,600 acres. These acres were reallocated to other farmers within the State. However, the farmers who planted cotton underplanted their allotments by 10.2 percent, or 51,800 acres. It is not amazing that these same North Carolina farmers who underplanted their cotton allotments increased their cattle numbers by 12,000.

Throughout the States of the Southeast last year, as cotton was underplanted, there was a direct relationship between that fact and the increase in beef cattle production, because it takes three to three and a half to four acres of land on which to pasture a cow.

I submit again that the adoption of the amendment will be a very disruptive blow to a further expansion of livestock production in the southern States, and that we are taking no one's market when we enter this field, because consumption is constantly increasing both because of per capita consumption and the increasing population of the country.

In South Carolina cotton farmers released 85,100 acres, which were reapportioned within the State. The farmers who had cotton planted on their farms underplanted by 111,200 acres, or 14.3 percent of their allotment. During this same year they increased their livestock numbers by 15,000.

Georgia cotton farmers released 140,300 acres, which were reapportioned within the State, but the farmers planting cotton underplanted by 181,100 acres, or 19.1 percent of their allotment. During this same year, they increased their cattle numbers by 55,000.

There is a direct relationship between underplanting of cotton and putting the land to the more profitable production of livestock; and the farmers must be able to expand their feed grain production in order to do that.

Alabama farmers released 151,000 acres, which were reallocated in the State, but the farmers planting cotton underplanted by 127,000 acres, or 11.7 percent. During this same year they increased their cattle population by 35,000 head.

In other words, it takes 3 to 3½ to 4 acres of land to maintain a cow. Such

production gives the farmers a higher standard of living. If we adopt this amendment, in my judgment we destroy the expansion of livestock production in the Southern States.

This shifting of livestock and crop production to meet consumer needs in the marketplace is not new. I know that farmers prefer to produce for the market rather than for Government storage. However, the farmer produces for a profit, because his production constitutes his livelihood. Farmers do seek those market outlets that will provide them the greatest continuing opportunity to use their agricultural plant. This has brought about a shift in our agriculture toward livestock and poultry production in recent years.

I ask unanimous consent to have placed in the RECORD at this time a table which shows this growing production and market.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1950 <sup>1</sup>			
	Production	Consumption	Per capita
	Million pounds	Million pounds	Pounds
Beef.....	9,534	9,529	63.4
Pork.....	10,714	10,390	69.2
Chicken.....	3,174	3,097	20.6
Turkey.....	615	612	4.1

<sup>1</sup> Population figures: 150,200,000 people.

1961 <sup>2</sup>			
	Production	Consumption	Per capita
	Million pounds	Million pounds	Pounds
Beef.....	15,250	15,826	87.8
Pork.....	11,475	11,293	62.6
Chicken.....	5,300	5,447	30.2
Turkey.....	1,550	1,386	7.7

<sup>2</sup> Poultry items: Ready-to-cook basis. Beef and pork: Carcass weight. Population figures: 180,300,000 people.

#### INCREASES AND DECREASES FOR 12-YEAR PERIOD

	1950-1961	1950-1961	1950-1961
	Production	Consumption	Per capita
	Million pounds	Million pounds	Pounds
Beef.....	+5,716	+6,297	+24.4
Pork.....	+761	+903	+6.6
Chicken.....	+2,626	+2,350	+9.6
Turkey.....	+935	+774	+3.6

Mr. EASTLAND. This table, with the information obtained from the Department of Agriculture, shows that beef production increased from 9,534 million pounds in 1950 to 15,250 million pounds in 1961, for an increase of 5,716 million pounds. This increased production, however, did not keep step with demand. Consumption increased from 9,529 million pounds in 1950 to 15,826 million pounds in 1961, for a gross increase of 6,297 million pounds. This demand exceeded the production increase. It was brought about partially by the 30,100,000 increase in our population. However, the greatest increase was brought about by the net increase of 24.4 pounds in per capita consumption. This increase in per capita consumption was made possible because the relative cost of beef as measured by the consumer's income was favorable. Livestock farmers are producing profitably at these favorable prices and are demanding that we not interfere with their free production and market situation.

The most amazing development in this 12-year period has been the increase in

the production of chickens and turkeys, both of which have increased their production and consumption nearly 100 percent. Many of the small farmers of the South have now abandoned their cotton production for grain and are now marketing it through chicken brooder houses on the farms. Per capita consumption of chickens has increased from 20.6 pounds to 30.2 pounds, and total consumption has increased from 3 billion to 5½ billion pounds annually during the period. This is an operation quite comparable to that of the feed grain producer in the Midwest marketing his production through beef cattle, hogs, and dairy cattle. It provides a method of increased income for these small farmers who are trying to stay on their land.

The effects of the passage of this amendment would be to reduce feed grain production to the extent that prices to livestock and poultry producers would be substantially increased. Livestock convert feed grains into beef, milk, pork, and poultry. These meats provide a major portion of the proteins in the American diet. With increased feed grain costs, livestock products would necessarily increase in price to the consumer, or the producer would be forced out of business, resulting in diminishing supplies. The price-cost squeeze in which he finds himself would be increased to the point that the farmer could no longer operate.

In either case, whether we drive him out of business or increase his costs, the price of beef, pork, milk, and poultry for the table would be increased. The consumer would have the alternative of meat imports or of using grains themselves for their protein requirements. Regardless of the consumer's choice, the consumption of feed grains would be substantially reduced and our feed grain problem would be further aggravated.

I would like to point out that there is competition for the market basket dollar. There is competition between livestock products and the cereals. There is also competition between domestic livestock producers and foreign producers. Price is the determining factor. In 1952, when our livestock numbers were plentiful and our prices reasonable, manufactured beef imports into the United States amounted to only 31,500,000 pounds. Beef cattle prices were low in relation to feed grain prices, and our farmers began liquidating excess cattle. By the end of 1959 our livestock numbers had been decreased, and our prices had advanced to the point that imports of over 600 million pounds came into the country. Imports will always come in to prevent our prices from getting out of line, but when they do they displace U.S. production and income to the U.S. farmer. They reduce production and they reduce income of the feed grain farmers.

The same price detriment applies to live cattle. Most of the imported beef animals into the United States come from Mexico and Canada. When our cattle numbers were high in this country in 1956 our imports from both Canada and Mexico of live animals, primarily for our feed lots, amounted to 175,000 head.



After the liquidation of our excess breeding cattle and our prices had recovered in 1958, the import of feeders from these two countries was over a million head.

Mr. President, this foreign manufactured beef and these foreign cattle, until the time of their import, did not consume American-produced feed grains nor did they contribute to the agricultural income of U.S. farmers. Price can export a production opportunity of farmers for meat products and for grain markets. Price can also cause consumption in this country to shift between food products. In any event, the income of American farmers in 1958, due to the import of manufactured and live cattle, was not what it could have been. I cannot vote to sentence grain farmers, ranchers and consumers to a lower income and to higher prices through the adoption of the proposed amendment.

In order that the RECORD may be clear and informative, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks two additional tables.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.  
(See exhibit 1.)

Mr. EASTLAND. Mr. President, the first table pictures the cattle situation by States, including beef cows, beef cattle and all cattle combined for the years 1961 and 1962 on January 1. These figures were obtained from the U.S. Department of Agriculture by the American National Cattlemen's Association.

The second table shows the number of farms and the number of horses and mules by States according to the Census of Agriculture taken in 1959. Combined here we have the work stock for production and the beef and milk plant on which we must depend for the animal products in our diet.

Mr. President, I say that, if the proposed amendment is agreed to, in many instances farmers will be unable to grow on their own farms the grain to feed the livestock which work that farm.

Mr. ELLENDER. Mr. President, would the Senator mind yielding for a question?

Mr. EASTLAND. Not at all.

Mr. ELLENDER. How does the Senator come to that conclusion? Evidently the Senator is not familiar with the amendment I intend to offer with respect to feed grains. As the Senator knows, there is to be an exemption of 25 acres for each farm.

Mr. EASTLAND. Yes.

Mr. ELLENDER. In the State of Mississippi that would include 82,176 of the total of 92,308 feed grain farmers. These would not be affected at all.

Mr. EASTLAND. I know. There are in Mississippi 140,930 horses and mules on farms. I think I know something about the situation. I know there are many farms which will not be able to grow grain to feed that work stock.

Mr. ELLENDER. The Senator is also familiar with the fact that the bill would not affect pastures in any manner, is he not?

Mr. EASTLAND. A farmer cannot work a mule or a horse off a pasture. I think it is obvious the horse or mule has to be grain fed if he is going to pull a plow.

Mr. ELLENDER. The Senator has mentioned pastures as though they would be affected by the passage of the bill.

Mr. EASTLAND. Of course the pastures would not be affected. I made no such statement. What I said was that the amendment, by limiting feed grain production, would drastically curtail the expansion of the livestock industry in the South. I pointed out that the land which was going out of production of cotton was going into pasture.

Mr. ELLENDER. I understand that. That has caused the cattle industry to increase in the South, particularly in the State of Mississippi. As I have indicated before, the bill would not prohibit the planting of oats in any quantity a farmer desired. The farmer could also plant all the rye he desired, or wheat for grazing also.

Mr. EASTLAND. Yes. Oats are not nearly as efficient as corn or barley as a feed.

Mr. ELLENDER. The Senator will remember that he objected to the inclusion of oats in the committee.

Mr. EASTLAND. Yes; I objected to oats.

Mr. ELLENDER. I had the Senator in mind in this regard, when I drew up my amendment.

Mr. EASTLAND. I objected to oats in the committee. I also objected to corn, to barley, and to rye. I objected to this amendment, and the committee rejected this amendment.

Mr. ELLENDER. In respect to barley, the Senator also knows there is no prohibition against planting all the barley a farmer desires, for grazing. In this case, though, a farmer must come into compliance within 30 days of harvest time. The farmer cannot harvest that barley.

Mr. EASTLAND. I know, but a farmer cannot establish a livestock industry on grass and pasture. It takes some grain.

Mr. ELLENDER. The Senator indicated a while ago, and it has been said by quite a few Senators, that 85 percent of the feed is fed in the vicinity where it is grown.

Mr. EASTLAND. There is a demand for that increased production.

Mr. ELLENDER. I ask the Senator why it is that as many as 85 million tons of this commodity accumulated and now the Government has over \$3 billion invested. The accumulation is what I am trying to stop.

Mr. EASTLAND. May I answer the Senator's question?

Mr. ELLENDER. Surely.

Mr. EASTLAND. It has accumulated over the past 11 years.

Mr. ELLENDER. Yes.

Mr. EASTLAND. I know.

Mr. ELLENDER. That is the argument against it.

Mr. EASTLAND. Eighty-five percent of it is consumed locally. Seventy-five

percent of it is grown on the farms. Why should we hit every farmer, when only 15 percent are involved?

Mr. ELLENDER. The exemptions to be provided in the amendment are such that the proposal would not affect the Senator's State, in my humble judgment, to any appreciable extent.

Mr. EASTLAND. In my humble judgment it would. It would be a sledge hammer.

As I said, we have produced milk for the New Orleans milkshed. We have produced milk for the Memphis milkshed. I cannot see why a farmer who has a herd of cattle, who owns tractors and owns equipment, cannot produce the grain he needs for his own cattle. Instead, the proposal would put the farmer under the bureaucrats. It would put him in a straitjacket. I think the whole proposal is manifestly unfair.

Mr. ELLENDER. May I ask my good friend another question?

Mr. EASTLAND. The Department of Agriculture says the present program has worked. The Department says it has been successful. Why not continue it?

Mr. ELLENDER. The Department said it was successful in reducing somewhat the surpluses from what they would have been.

Mr. EASTLAND. I think the program reduced the surpluses substantially.

Mr. ELLENDER. But not to the extent estimated in the beginning. The Senator knows that.

Mr. EASTLAND. I think the program has substantially reduced the surpluses. I favor a voluntary program.

I still cannot understand, since there are 85 percent who are not offenders and only 15 percent who are offenders, why we should bring the house down on the 85 percent who are not offenders in order to hit the 15 percent who are offenders. I do not see the justice in that, Mr. President.

Mr. ELLENDER. How can the Senator justify having the Government pay support prices to a farmer to grow commodities the country does not need?

That is what we are trying to strike at.

Mr. EASTLAND. The point to hit is at the place where the commercial man operates and not where a man grows it on his own farm and markets it through livestock. Where is the justice in hitting at him? He has not done anything that he should not have done. He has not stored a bushel at the expense of the U.S. Government. All he has done is to grow for his own use, as any free American citizen should have the right to do.

Mr. ELLENDER. Much the same arguments were advanced when the cotton law was enacted, as my good friend knows.

Mr. EASTLAND. Cotton is an industrial commodity.

Mr. ELLENDER. I know that.

Mr. EASTLAND. It is an industrial commodity that is used off the farm. Rice is not consumed on the farm. The State of the distinguished Senator, my leader in agriculture, and my State are both interested in the production of rice. Production in my State is much more limited. But the Senator knows that there is all the difference in the world

between the two products. The point is that cotton, rice, and tobacco are all grown for the market. Eighty-five percent of feed grains are grown for use on the farm to make the beef, pork, and animal products that our country needs.

Mr. ELLENDER. However, as I have pointed out, there was an accumulation of 85 million tons, most in Government hands, at a cost of \$3 billion. The amount of corn and other feed grains and wheat on hand today accounts for 78 percent of the \$1,150 million that it cost to keep such commodities in Government hands during the past year.

Mr. EASTLAND. The distinguished Senator has said—and I think he is correct—that we have on hand a 6 months' supply of feed grains. It is a godsend to our country that we have it. It is a national asset. I hope that in these troubled times we keep surpluses on hand to feed this country and to feed our allies in case of emergency.

I remember that at the conclusion of the World War there were more than 14 million bales of cotton in storage in our warehouses. That cotton served the interests of our country in a very fine way a few years after the war. We followed then exactly the road that is now being proposed with reference to feed grains; namely, curtailment of production.

Mr. ELLENDER. It worked, did it not?

Mr. EASTLAND. It worked.

Mr. ELLENDER. Of course, it did. The proposed program will work, also.

Mr. EASTLAND. It worked? Cotton went to a price above 50 cents a pound. We had to embargo the export of cotton. We lost markets all over the world. The price went so high that foreigners went into production of cotton. The program did anything but work.

Mr. ELLENDER. My good friend from Mississippi voted for that program, as I did, did he not? A situation developed that none of us could foresee. But the Senator would not say the cotton program has not worked, would he?

Mr. EASTLAND. Of course, the cotton program has worked.

Mr. ELLENDER. Certainly.

Mr. EASTLAND. The Senator from Louisiana had a half-dozen programs. The present program worked. The program that we had before 1958 certainly did not work. The program we had before 1956 certainly did not work. The point I make is that we cannot haggle about a 6 months' supply of feed grains. We need that supply.

Mr. ELLENDER. We never had it before.

Mr. EASTLAND. We never had such conditions in the world as we have now.

Mr. ELLENDER. The record will show that we have about four times more feed grains on hand than our normal carryover. I believe that such an expense to the Government, if we do not do something about it, might affect all the other good farm programs on the statute books.

Mr. EASTLAND. The distinguished Senator from Louisiana is chairman of the Committee on Agriculture and Forestry. He handles his committee very ably. Hearings were held for weeks. We considered the bill for 10 days or 2 weeks. The distinguished Senator must realize that the committee, after mature consideration, voted down his amendments. I do not believe that a year's wheat supply is too much. I want insurance for my family. I want insurance for other Americans. One bad drought could get us into trouble.

Mr. ELLENDER. The Senator wishes to let Uncle Sam carry the bag, and I do not.

Mr. EASTLAND. Uncle Sam is not carrying any bag. It is a national asset.

Mr. President, the Committee on Agriculture and Forestry considered this entire subject. The committee voted down the proposed amendments and reported the bill. I hope the Senate will follow the same course.

## EXHIBIT 1

State rankings for cattle, Jan. 1, 1962 (Hawaii and Alaska not available)

[In thousands]

1962 rank	All cattle			Beef cattle			Beef cows		
		1962	1961		1962	1961		1962	1961
1	Texas	9,660	9,379	Texas	8,712	8,423	Texas	4,496	4,374
2	Iowa	6,654	6,460	Iowa	5,250	5,036	Oklahoma	1,622	1,490
3	Nebraska	5,414	5,134	Nebraska	4,911	4,612	Nebraska	1,569	1,535
4	Kansas	4,881	4,562	Kansas	4,300	3,958	Kansas	1,383	1,254
5	Wisconsin	4,339	4,296	Oklahoma	3,230	3,074	South Dakota	1,327	1,288
6	Missouri	4,304	4,099	Missouri	3,195	3,011	Missouri	1,126	1,131
7	Minnesota	4,258	4,094	South Dakota	3,053	2,914	Montana	1,126	1,131
8	California	4,232	4,207	California	2,886	2,787	Idaho	1,028	995
9	Illinois	3,862	3,901	Illinois	2,829	2,862	California	858	851
10	Oklahoma	3,654	3,513	Colorado	2,130	2,056	Louisiana	851	834
11	South Dakota	3,460	3,327	Montana	1,990	2,028	Mississippi	838	810
12	Colorado	2,333	2,482	Minnesota	1,943	1,805	Colorado	803	795
13	Ohio	2,249	2,272	Mississippi	1,501	1,463	Florida	713	699
14	Kentucky	2,242	2,115	North Dakota	1,441	1,447	Illinois	695	681
15	New York	2,174	2,152	Louisiana	1,407	1,396	North Dakota	694	667
16	Montana	2,112	2,155	Indiana	1,400	1,386	Alabama	691	669
17	Mississippi	2,107	2,107	Kentucky	1,398	1,276	New Mexico	669	631
18	Indiana	2,103	2,103	Florida	1,272	1,265	Kentucky	628	556
19	Tennessee	1,991	1,914	Alabama	1,269	1,234	Tennessee	573	526
20	Pennsylvania	1,971	1,951	Tennessee	1,205	1,143	Oregon	572	555
21	North Dakota	1,881	1,881	Oregon	1,157	1,146	Arkansas	569	567
22	Louisiana	1,818	1,818	New Mexico	1,155	1,106	Wyoming	550	545
23	Michigan	1,752	1,718	Georgia	1,126	1,071	Georgia	540	506
24	Alabama	1,689	1,656	Ohio	1,126	1,126	Virginia	403	384
25	Florida	1,596	1,596	Wyoming	1,079	1,055	Idaho	397	385
26	Georgia	1,481	1,438	Arkansas	1,014	1,030	Minnesota	383	356
27	Oregon	1,435	1,435	Idaho	983	1,013	Indiana	362	355
28	Virginia	1,422	1,408	Arizona	957	962	Arizona	355	337
29	Arkansas	1,374	1,388	Virginia	840	818	Washington	311	300
30	Idaho	1,359	1,401	Washington	830	776	Nevada	280	272
31	Washington	1,268	1,208	Michigan	697	678	Ohio	272	268
32	New Mexico	1,221	1,174	Wisconsin	646	639	Utah	269	256
33	Wyoming	1,126	1,104	Utah	631	630	North Carolina	211	203
34	Arizona	1,041	1,047	Nevada	499	494	West Virginia	169	159
35	North Carolina	907	898	Pennsylvania	439	428	Wisconsin	130	123
36	Utah	698	698	North Carolina	433	421	Michigan	117	114
37	South Carolina	553	542	South Carolina	371	356	Pennsylvania	100	94
38	Nevada	532	527	West Virginia	332	330	Maryland	50	49
39	West Virginia	530	535	Maryland	152	157	New York	46	40
40	Maryland	498	508	New York	148	138	Maine	9	9
41	Vermont	445	436	Maine	28	29	New Jersey	5	4
42	Maine	200	200	Vermont	19	18	Vermont	4	3
43	New Jersey	196	198	New Jersey	15	14	Delaware	4	4
44	Massachusetts	153	156	Delaware	12	10	Massachusetts	3	3
45	Connecticut	150	153	Massachusetts	11	11	Connecticut	3	3
46	New Hampshire	101	100	Connecticut	10	11	New Hampshire	2	2
47	Delaware	51	53	New Hampshire	8	8	Rhode Island		
48	Rhode Island	20	20	Rhode Island	1	1			
Total		99,500	97,319	Total	69,695	67,371	Total	28,111	27,028



## 1959 Census of Agriculture

	Number of farms	Number of horses and mules
Alabama	49,966	93,148
Arizona	3,295	51,151
Arkansas	35,636	76,644
California	20,148	77,313
Colorado	13,940	64,826
Connecticut	1,197	3,609
Delaware	1,134	3,093
Florida	10,529	26,536
Georgia	39,023	70,500
Idaho	13,844	49,806
Illinois	25,762	73,898
Indiana	18,533	52,928
Iowa	30,249	87,284
Kansas	28,196	67,746
Kentucky	69,482	144,663
Louisiana	38,120	87,390
Maine	3,853	7,730
Maryland	5,762	15,259
Massachusetts	1,730	4,771
Michigan	14,430	36,443
Minnesota	23,325	58,560
Mississippi	63,529	140,930
Missouri	43,216	101,625
Montana	15,600	86,380
Nebraska	23,641	68,281
Nevada	1,688	19,074
New Hampshire	1,540	3,695
New Jersey	1,975	6,993
New Mexico	8,468	43,388
New York	18,485	47,371
North Carolina	84,517	145,101
North Dakota	19,069	57,472
Ohio	25,961	73,664
Oklahoma	33,680	90,025
Oregon	11,966	44,402
Pennsylvania	19,446	58,141
Rhode Island	187	693
South Carolina	38,644	68,407
South Dakota	16,049	61,013
Tennessee	67,757	139,380
Texas	77,203	237,373
Utah	9,220	29,894
Vermont	4,094	9,351
Virginia	41,412	84,293
Washington	12,377	37,517
West Virginia	19,690	37,587
Wisconsin	24,728	59,219
Wyoming	6,441	49,423
Total	1,137,958	2,953,992

Mr. MANSFIELD. Mr. President, a good workable farm program is essential to the economic prosperity of the State of Montana. The farm bill submitted to the Congress by the administration is designed to meet the problems of overproduction, unmanageable surpluses, depressed farm income, and expanded markets for farm products. It is a program nationwide in scope. Montana has a very significant farm economy and I wish to comment briefly on several unusual circumstances that now exist in the State. I also wish to address several questions to the distinguished chairman of the Senate Agriculture Committee, whose answers are of vital interest to my colleague the Senator from Montana [Mr. METCALF] and myself.

First of all, Montana finds itself in a difficult position at this time. The State has been plagued with a serious drought in the past several years, thus reducing production within the State. An expanding livestock feeder industry in the State has utilized the vast majority of the feed grains produced, contributing little to the feed grain surplus. Montana is a major producer of the Hard Red Spring wheat variety which is not now in great surplus. Naturally many Montana farmers wonder why we need a farm program in Montana because of these factors. They would like to produce more wheat because of the favorable market and they would like to increase feed grain production within the State

to supply the expanding markets within the State.

I realize we cannot make exceptions in dealing with a national problem but I did want to briefly comment on the Montana situation.

Mr. President, I should like to ask the distinguished chairman of the Committee on Agriculture and Forestry the following question:

During the discussion of the proposed farm legislation in the committee, what was the consensus with reference to elimination of acreage controls on wheat and conversion to production control on a bushelage basis and on the farm storage at the individual farmer's expense?

Mr. ELLENDER. That question was discussed. We have provided that the Secretary of Agriculture should proceed in fixing the acreage by using a bushelage basis, with a minimum of 1 billion bushels.

With respect to farm storage, let me say that if farmers now produce in excess of allotments, they must store at their own expense in order to avoid penalty. The amendment makes no change in this respect.

Mr. MANSFIELD. What was the minimum?

Mr. ELLENDER. One billion bushels. What we are trying to do in the bill is to keep production in line with our requirements for both export and domestic use. There are several provisions in the bill to protect the producers of wheat that may be in short supply. The Secretary of Agriculture has the right under the wheat provisions to increase allotments for wheat in short supply.

Mr. MANSFIELD. Is that for the Hard Red Spring wheat?

Mr. ELLENDER. That is for any wheat that is in short supply. Under the bill, the Secretary of Agriculture would have the right to look into the situation and provide more acreage to meet the demand for any wheat that is in short supply.

Mr. MANSFIELD. I thank the Senator.

Mr. ELLENDER. However, in saying to a farmer that he may plant more acreage of wheat of a kind that is in short supply, the amendment provides that the farmer must then plant his entire increased allotment to that kind of wheat.

Mr. MANSFIELD. If the Senator will yield further, as he knows, the establishment of yields has been the subject of considerable discussion in Montana. As recommended by the committee, what years would be used in determining yields under the 1963 feed grain program?

Mr. ELLENDER. The years 1959 and 1960 would be used.

Mr. MANSFIELD. Would the same yields be used if the administration's feed grain proposal were adopted?

Mr. ELLENDER. Under the administration's program, as it has been developed and embodied in my amendment, the normal yield for a farm would be the average yield per acre of such feed grains on the farm during the 5 calendar years immediately preceding the year in which such normal yield is

determined, adjusted for abnormal weather conditions and trends in yields.

Mr. MANSFIELD. That would be true if the administration's present feed grain program proposal were adopted. Is that correct?

Mr. ELLENDER. The Senator is correct.

Mr. MANSFIELD. Montana grows principally Hard Red Spring wheat, a high protein quality wheat. Carryover of Hard Red Spring, according to the committee report on S. 2335, will be down to 180 million bushels next month, as compared with 237 million bushels last June 30. It is my understanding this new farm legislation offers incentives to the producers of high quality, high demand wheat such as Hard Red Spring. As you know, due to certain factors Montana grain production is somewhat limited to wheat and barley.

While a farmer would receive certificates for his bushel quota, the additional wheat which is legally produced either on his wheat or feed grain acreage allotment could be picked up in the open market by those interested and in need of the higher quality milling variety at premium prices. Also, I understand that the administration proposes that wheat be permitted to be grown as a feed grain, thus quality demand wheat which is produced on feed grain allotments might then be placed in the feed grain market and purchased by those interested in the quality grains at the premium prices. Is this a reasonable interpretation of this proposal?

Mr. ELLENDER. Yes. In addition I point out that the Secretary would have the right to increase the acreage of wheat which is in demand.

Mr. METCALF. Mr. President, will the Senator yield for a moment, so I may clarify one point for my own benefit?

Mr. MANSFIELD. Certainly.

Mr. METCALF. I understood the chairman of the committee to say that if the pending bill were enacted, the feed grain allotments would be determined on the basis of yields of the past 2 years. If the bill which is before the Senate is enacted, the past 2 years will be used. Is that correct?

Mr. ELLENDER. 1959 and 1960. Those 2 years, yes.

Mr. METCALF. If the Ellender amendment, which is the administration bill, is adopted, the feed grain proposal will be based on the past 5 years?

Mr. ELLENDER. The normal yield would be based on the preceding 5 years. Allotments would be based on the average acreage during the base period. For the first 3 years of the program the base period would be 1959 and 1960. Thereafter it would be the 2 most recent years for which statistics are available. I may have misunderstood the Senator when I spoke to him a while ago.

Mr. METCALF. I was not quite sure, but I wanted to clarify the situation.

Mr. MANSFIELD. I thank my colleague from Montana for clearing up that point.

During the course of the committee's extensive studies of these problems, has there been any indication that there is a direct relationship between the market

price for livestock and the price for feed grains?

Mr. ELLENDER. Yes; that relationship has been established. Several witnesses testified to that effect. Mr. Cushman S. Radebaugh, president of the American National Cattlemen's Association, testified that whatever happens in the case of feed grain prices has a direct effect on what happens to beef cattle prices.

It has been my contention for the past 25 years, ever since we have been dealing with price supports, that fixing a price on grain has a direct effect in stabilizing the price of cattle products as well as poultry products.

Mr. MANSFIELD. Would the chairman say that this is a fair statement? When the price of feed grains goes down, the price of livestock subsequently correspondingly declines; that when the price of feed grains is up, the price of livestock correspondingly rises?

Mr. ELLENDER. That is right. That would be my interpretation. I believe a study of the situation would indicate that that is true.

Mr. MANSFIELD. If the Senator will yield further, I should like to point out that there has been a tremendous discussion about the Nation's agricultural surplus. Insofar as wheat is concerned, in terms of the Nation's needs, how large a supply do we now have on hand and for how many years?

Mr. ELLENDER. We have on hand 1,300 million bushels, which is more than a year's supply—just a little bit more.

Mr. MANSFIELD. Just a little bit more?

Mr. ELLENDER. Yes. Of course, when we say supply it means not only for domestic use, but for export also.

Mr. MANSFIELD. Would the Senator state in this respect who is our best customer in the export of wheat?

Mr. ELLENDER. Today it is India.

Mr. MANSFIELD. How about Japan?

Mr. ELLENDER. Japan is a big customer, but India, of course, through the Public Law 480 program has increased its imports.

Mr. MANSFIELD. India gets it on a gift or loan basis.

Mr. ELLENDER. Yes.

Mr. MANSFIELD. So far as an actual cash customer is concerned, I mean.

Mr. ELLENDER. Japan would be as big a cash customer as any.

Mr. MANSFIELD. It is also a good cash customer, and our best customer with respect to cotton, soybeans, and tanned hides, as well as wheat; is that correct?

Mr. ELLENDER. That is correct.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. PASTORE. I am very much interested in the agricultural problem. I want to lend whatever support and assistance I can to any possible program which in the long run will save the taxpayers of this Nation the great amount of money that is now being paid for storing the surpluses.

I have been told that the Ellender amendment embodies a certificate plan,

which is, in fact, a bread tax; is that correct?

Mr. ELLENDER. No.

Mr. PASTORE. I am told that the plan provides that all wheat used for breadmaking will be subject to certificates valued at about 82 cents a bushel. This means that before a miller can grind wheat into flour, he must purchase a certificate for each bushel he mills. The American Bakers Association and others estimated that this will add perhaps as much as 1½ cents to every loaf of bread. Has the Senator any comment to make on that point?

Mr. ELLENDER. Of course, as the Senator knows, and as I stated yesterday, the Secretary of Agriculture has been attempting since he took office to increase the price of the commodities grown by the farmers. It is contemplated that if the program goes through, namely, the certificate plan to which the Senator refers, the price of wheat will be about \$2 for all wheat that will be grown by that farmer for domestic use, and likewise the farmer will receive \$2 a bushel for that portion of the production which will be shipped abroad for which certificates are issued.

Personally, I do not believe it will have any effect whatever on the cost of bread, for the simple reason that the cost of wheat this year is about the same—that is, \$2 a bushel. Under the bill, it is not contemplated that the cost of wheat to the miller will be increased at all, so there will be no reason for him to have to increase the price of bread.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. Generally speaking, is it not true that over a period of years the price of wheat has been around \$2 a bushel?

Mr. ELLENDER. That is correct; it has been around that price.

Mr. MANSFIELD. But what has happened to the price of bread in the meantime? It is not the farmer who causes a rise in the price of bread, because the price of wheat has not increased in proportion to the price of bread.

Mr. ELLENDER. I was about to suggest to the Senator from Rhode Island that what the farmer gets out of the price of a loaf of bread is about 2.4 cents. The price of bread has risen considerably in the last 7 or 8 years, even though the cost of wheat has stayed, more or less, at a normal price.

Mr. PASTORE. The contention that is made—and it may well be so—that the increase in the price of wheat might increase the price of a loaf of bread by 1½ cents, and I envision that there will be some increase. Naturally, if the price support is raised, then somewhere along the line that action will be reflected in the cost of bread, unless someone absorbs the cost.

Mr. ELLENDER. We are not proposing to raise the price of bread; we are simply assuring that that price will be what it is now.

Mr. PASTORE. Was not the price of wheat \$1.78 a bushel last year?

Mr. ELLENDER. Yes.

Mr. PASTORE. As I understand, the plan of the Senator from Louisiana calls for a price of \$2.04 a bushel.

Mr. ELLENDER. No; next year it will be \$2 a bushel, in round figures.

Mr. PASTORE. That is an increase of 22 cents, is it not?

Mr. ELLENDER. I understand; but the price for this year's crop, under the program which we voted upon last year, will be \$2. So the plan we now propose will not raise the price higher than that.

Mr. PASTORE. One final question of the Senator from Louisiana, who is very proficient in this field: What has the Rhode Island consumer to look forward to in a promising way as between the bill which was reported by the committee and the bill if it is perfected by the so-called Ellender amendment? What does the consumer in Rhode Island have to look forward to in any promising fashion?

Mr. ELLENDER. If the proposal I am suggesting should be enacted, we will have a new approach in our price support program for wheat. Under the present law, the Secretary of Agriculture is unable, legally, to proclaim a national allotment for wheat of less than 55 million acres regardless of the stocks which have accumulated. When that law was enacted in 1938, the yield of wheat per acre was 13.3 bushels. Now the yield is 26.2 bushels, but the same minimum acreage is required by law.

My amendment would establish an acreage so that the amount of wheat to be produced will be more in keeping with our requirements. This would mean that the Federal Government would take over less wheat thus saving a large amount of storage and handling charges. As I pointed out yesterday, the handling charges for the commodities which are now in storage—for all commodities—amounted to \$1,154 million during fiscal 1961. Wheat, and feed grains accounted for 78 percent of that huge cost. What we are trying to do is to reduce the production of wheat, and we are saying to the farmers, "We are willing to protect you in price provided you curtail your acreage in keeping with the requirements." That is all the amendment proposes to do. If that proposal should be adopted, it will mean less production and less costs to be assumed and paid for by the Government. Besides, during the transition period, payments will be made to farmers for the diverted acreage.

Mr. PASTORE. Is it fair for me to assume that if the program is initiated and carried through to fruition, the ultimate result will be that less wheat will be produced and less wheat will have to be bought by the U.S. Government with the taxpayers' money, and that less of the taxpayers' money will have to be paid in order to store the surplus?

Mr. ELLENDER. The Senator is exactly correct. The same principle applies to my corn amendment. Feed grain carryover today amounts to about 75 million tons. It cost the Government in the last fiscal year \$535 million to store that surplus. I am trying to tell the corn farmer that the Government is willing to support the price of his corn at a certain level provided he is willing to



curtail his acreage and produce only what is needed.

But the way the law now reads—that is, the law which was enacted 3 years ago—a farmer can plant any amount of corn he desires, or any amount of sorghum, oats, barley, or rye that he desires, and get price support for it. There is no way under the law by which the Secretary of Agriculture can control corn and feed grain acreage; he must support the price irrespective of the amount of grain which the farmer produces.

The second amendment I shall propose to the Senate will simply mean that if the farmers of the country want to produce corn and other feed grains, then in order to get a Government support price to help them to get a fair return on corn and other feed grains, they will have to reduce the number of acres they plant, so that the amount of grain produced will be in keeping with the amount required. That will save the taxpayers quite a large sum of money, and as a matter of fact, also improve farm income.

As I pointed out to the Senator from Mississippi [Mr. EASTLAND] a few minutes ago, the Government has on its hands at this moment 2.4 billion bushels of corn and other feed grains worth \$3 billion.

Mr. PASTORE. I thank the Senator from Louisiana.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. The Senator from Rhode Island has very properly raised the issue as to what this proposal may cost the consuming public. After all, our great Nation is comprised both of producers and consumers. At no time in our Nation's history have the consumers received their food at a lower percentage of their wages than they are now.

It is interesting, when we talk about costs, to note that in 1959, with 13 percent more consumers and a 13 percent higher per capita income, 16 percent more food was utilized. In other words, a 13 percent greater population having a 13 percent higher income increased its food consumption by 16 percent.

In 1959, the farmers received \$100 million less for their food, and the consumer paid \$10 billion more in charges.

I think this is one of the important issues, because when we start dealing with the problem of the whole record of food costs in this country based upon percentage of wages, the market basket of domestically produced food for a family of three as reported by the U.S. Department of Agriculture, cost 23 percent of the average factory worker's income in 1959.

Ten years earlier, the cost of food alone was 35 percent higher; 20 years earlier, it was 41 percent higher. So it can be definitely proved that the consumers are getting their food at a lower percentage cost of their wages than at any time in the Nation's history.

Mr. PASTORE. Does the Senator from Kansas agree with the position taken by the American Bakers' Association that if the Ellender amendment shall be adopted, the cost of the cer-

tificate plan will be increased, and that the cost of each loaf of bread sold in the United States will be increased by a cent and a half?

Mr. CARLSON. I do not agree with that statement, because I do not believe that will be the result of the amendment. The cost of bread may be somewhat increased, but very little, because the price of wheat has been \$2 a bushel, it has been \$2.22, and it has been \$1.79 with very little if any change in price. There would not need to be any difference in the cost of a loaf of bread, because the price of bread is very little affected by the price of wheat.

Mr. ELLENDER. The price of a loaf of bread is not directly tied to the price of wheat.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Louisiana yield, so that I may respond to the Senator from Rhode Island?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Under this bill—and I should like to have the chairman of the committee correct me if I am wrong—the price support of wheat would be dropped from approximately \$2 a bushel—the price support at the present time—to about \$1.40, or to the feed value equivalent of corn. The cash price would probably be somewhat above \$1.40; but one could hardly expect the cash price to be above the present price of good milling wheat, which is about \$2.50 a bushel. So the price millers would pay would be less than at present.

The miller would have to buy the certificates; but even if the overall cost of his wheat was 20 cents a bushel more than now—which would be the most it could cost him—that would mean that the additional cost of a loaf of bread would be less than half a cent a loaf, inasmuch as the wheat content of a loaf of bread is today approximately 17 percent, or probably a little less now, as more substitutes for wheat are used.

Mr. PASTORE. Is there any way to determine percentage-wise what the effect would be, as between the formulas being proposed here? I think that should be ascertained, because the consumers should be told that. If the estimate of 1½ cents a loaf as the increased cost is incorrect, I believe it should be corrected for the Record.

I am not challenging or questioning anyone; but if there is any way to determine in authoritative fashion, for the Record, just what will be the effect of the program on the price of a loaf of bread, I believe it should be stated for the Record.

Mr. YOUNG of North Dakota. I think that can be done; I think there are economists in the Department of Agriculture who can give those figures.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. Hickey in the chair). Does the Senator from Louisiana yield to the Senator from Vermont?

Mr. ELLENDER. I yield.

Mr. AIKEN. I should like to inform the Senator from Rhode Island of the purpose of the Department's plan: It is to require the farmer to reduce his pro-

duction; to increase farm income; to lower the burden on the taxpayer; and to keep prices to the consumer at least as low as they are now. That is very simple when we say it: force the farmer to reduce his production; and when he reduces his production, increase his income; then lower the costs to the taxpayers; and, finally, keep the prices to the consumers where they are now, or get them lower.

I wish the Senator from Rhode Island, who is excellent at statistics, would figure out just how that could be done. But that is what is claimed for this proposed legislation—just as simple as that, if it is simple.

Mr. ELLENDER. Mr. President, in view of the questions asked by the Senator from Rhode Island, I should like to read into the Record a statement by the House committee; the statement appears on page 28 of Report No. 1691:

There is nothing in the proposed wheat agreement which would add to the cost of flour to bakers or to the cost of bread to consumers. USDA miscellaneous publication 712, "Marketing Margins for White Bread," says: "Farmers' prices don't govern bread prices." The committee has been assured that there would be no material increase in wheat support levels under the program in 1963. From 1948 to 1960, the cost of wheat and other ingredients in a loaf of bread declined 18 percent at the farm, while processing and marketing margins increased 71 percent. Thus, in the 12-year period, the cost of a loaf of white bread increased from 13.9 cents to 20.3 cents, as a national average, or 46 percent, while the price of a bushel of wheat declined from \$1.98 to \$1.76, or 11 percent.

Mr. TALMADGE. Mr. President, it is clear that Congress can no longer postpone affirmative action to curb the overproduction of feed grains.

From 1952 to 1961, the total feed grain carryover rose from 20 million to nearly 85 million tons, and the cost of storing surplus corn and grain sorghum alone reached the staggering total of half a billion dollars during the 1961 fiscal year. Although the carryover will have been reduced to some 72 million tons by this October, it can be expected to shoot up again unless Congress is willing to finance indefinitely a billion-dollar-plus-a-year voluntary acreage diversion program.

Our experience has proved that neither lowered price supports nor voluntary land retirement is the answer to the problem. The former serves only to stimulate increased production; and the latter effects only temporary relief, and that only to the extent of the amount of funds made available to provide incentive payments.

That leaves us, then, with but two choices: either to impose a system of effective controls, or to cut 3½ million farmers loose, to "go it alone." The certain ramifications of the second make it too alarming even to contemplate. It would result in a disastrous drop in farm income, which would bankrupt thousands of farmers and would touch off a crippling agricultural depression which would spare no segment of the national economy.

There is nothing startlingly new or different about the procedure set forth in

the proposed amendment. Essentially, it would bring feed grains under the same type of mandatory controls which have been successfully employed for years by the producers of cotton, rice, peanuts, and tobacco. And, as in the case of those commodities, the controls would be imposed only upon the direct vote of the farmers concerned.

This program has been designed to reduce surplus stocks of feed grains to a manageable level within 5 years. And, instead of offering the prospect of ever-increasing costs, the outlays it would require would decrease by almost \$300 million a year by 1965. The indicated first-year saving over the present emergency program alone would be \$565 million.

Some concern has been expressed in the Southeast—which is a deficit area for the production of feed grains—about the effect of the mandatory procedure. I am pleased to be able to report that there would be no adverse effect, as southeastern farmers would be able to grow more feed grains under the mandatory program than they would under the present optional arrangement.

That would be the case because the proposed program provides for the exemption of farms with base acreages of 25 acres or less, and the retirement payment rate per acre under the mandatory program would be less than that under the current voluntary plan. In my State of Georgia, for example, 22 percent of the feed grain base acreage is being diverted this year, while projections show that under the proposed mandatory program the diversion next year would be only 16 percent.

Mr. President, it is time that the farmers of the United States realized that they cannot expect continued high price supports without agreeing to effective production and marketing controls. They cannot have both high supports and few, if any, controls. It must be one way or the other.

There have been growing evidences of taxpayer resentment of farm programs which cost billions and accomplish nothing with respect to their basic purpose—that is, to bring supply into line with demand. It should be obvious to all concerned that a continuation of procedures which pile up costly surpluses will jeopardize continued public support for all farm programs.

During the more than 5 years it has been my privilege to serve in this Senate, I have consistently advocated and sought the enactment of realistic and meaningful farm legislation to solve the problems of American agriculture. The Talmadge farm plan which I have offered during the 85th, 86th, and 87th Congresses has attracted widespread favorable reaction throughout the Nation.

Mr. President, I personally would prefer to see the enactment of a program of free enterprise farming bolstered by a system of compensatory payments on domestic consumption along the lines I have proposed. I think it would be the best thing for the Nation as a whole if such a formula could be applied to all basic agricultural commodities. Unfortunately, however, I recognize that the opposition of certain farm organizations

and of the large, corporate-type farms has foreclosed its favorable consideration—at least, at this time.

I, therefore, Mr. President, support the pending amendment as the best possible acceptable solution to the pressing problem which faces the American economy with respect to runaway feed grain production.

Failure to impose mandatory controls over such production, Mr. President, can only have the result of placing in grave jeopardy our entire farm program. And every American with a knowledge of elementary economics knows, Mr. President, that in an economy where labor has the protection of the minimum wage and collective bargaining and business has the protection of the tariff and various subsidies, the consequences of leaving the farmer without equivalent protection would be disastrous.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TALMADGE. I am glad to yield to my distinguished senior colleague.

Mr. RUSSELL. My distinguished colleague is a member of the standing Committee on Agriculture and Forestry and had an opportunity to sit in the committee during the hearings. I heartily commend him for his realistic approach to an exceedingly thorny problem. I too would prefer to see enacted the farm bill which my colleague has introduced, but we both know that is completely out of the question in the present circumstances.

The approach that is offered in the Ellender amendment seems to me to be the only chance we have to save any farm program, particularly for the farmers of the Southeast, and Georgia farmers especially.

Mr. President, I have seen the balance of power shift in this country during the time I have been a member of the Senate. When I first came here I think some 37 or 38 percent of the people of this country lived on farms or were engaged in agriculture. It has now reached the point where only 8 or 9 percent of the people derive their livelihood from farming; and the political power of the farmer has been further diluted by events other than the mere shifting of the population from the farms to the cities.

There is no question in my mind that the people in the cities would soon resent and strike down any farm program whatever—and they would not be able to differentiate between those programs that cost a great deal of money and those that do not—unless Congress took some steps to stop the tremendous accumulation of grain surpluses, which cost us \$1,400,000 a day just for storage in this country.

If that should happen, the whole farm program would collapse. That would be the end of the individual farmer in this country. We could depend on the factory-type farm, but it would mean the extinction of the family farm in this country. In my opinion, it is up to us to do what we can to slow down that movement in order to retain the great values the family farm has in the strength of our Nation, both spiritual and otherwise.

My colleague knows, as well as I, that these grains are the only farm products that have not been under marketing quotas.

Mr. TALMADGE. They have had price supports.

Mr. RUSSELL. They have had price supports and no marketing quotas. In other words, the producers have had their cake and have been eating it, too, since 1935, whereas other commodities, such as cotton, tobacco, rice, and a number of others, have been under rigid controls, involving great penalties if they have been overplanted by so much as one-half an acre.

In my judgment, if we are to retain any farm program in this country, we must follow the suggestion made by my distinguished colleague. I commend him for it.

While I have some grave misgivings about some features of the program, under all the circumstances I think the long-range interests of such farmers as are left in the United States will be served by the adoption of the Ellender amendment.

Mr. TALMADGE. I thank my able colleague for his invaluable contribution. I agree with him wholeheartedly in everything he has said. In my judgment, if we do not reduce the \$3 billion surplus of feed grains, it will be the weapon which will be utilized to strike down every farm program we have, good as well as bad. For that reason, I support the Ellender feed grains amendment.

Mr. President, I yield the floor.

Mr. FULBRIGHT. Mr. President, I heartily commend the junior Senator from Georgia for his comments. The circumstances in his State are much like those in mine, and the effects will be similar. I think what he has said is most persuasive. In addition, many of the scandals which we have been reading about in the papers recently have grown out of the very problems that arise out of the excessive accumulation of surpluses.

Mr. PROXMIER. Mr. President, the distinguished chairman of the Committee on Agriculture and Forestry has been exceedingly patient in our consideration of the various provisions of the proposed Food and Agriculture Act of 1962. I appreciate the fairness with which he has dealt with each member of the committee. I have only the greatest admiration for his effort and his ability.

I now would like to indulge his patience by asking him a few questions. I note that often he has referred to corn as "the little blue-eyed girl of our farm program."

I assume by that he means that corn producers have received favorable treatment.

He now proposes that on less than 3 months' notice they become subject to mandatory controls or have their price supports reduced to 50 percent of parity or less.

I am sure that our distinguished chairman knows that 19,500,000 acres have been diverted out of wheat production since 1952, 11,300,000 acres have been diverted out of tobacco production since 1951, and 600,000 acres have been diverted out of tobacco production since



1952. Does not the distinguished Senator from Louisiana agree that a large part of these diverted acreages have been shifted to the production of feed grains and soybeans? Is that not true?

Mr. ELLENDER. I would say that principally soybean production has increased in the South. Insofar as the feed grains are concerned, the South has been growing those all along. Of course, there has been a little increase in the acreage in wheat production because of knowledge of a variety which would grow better in the South. There is no doubt that the cotton farmers of the South have increased the production of crops which used to be produced as cash crops principally in the North.

Mr. PROXMIRE. I do not mean to ask the question in any prejudicial or regional sense.

Mr. ELLENDER. I understand.

Mr. PROXMIRE. The point is true with respect to wheat also. Farmers to some extent have gotten out of the production of wheat and have diverted 19.5 million acres, which is more than has been diverted out of cotton production, and much of the acreage has gone into the production of feed grains.

Mr. ELLENDER. Not as much as the Senator would imagine.

I say to my good friend that when there were acres diverted from cotton, from rice, and from other commodities in the South, there were no payments on the diverted acres; but in this case we seek to provide for the payment on diverted acres to all corn farmers, to all sorghum producers, and to all wheat producers.

Mr. PROXMIRE. I shall come to that.

Mr. ELLENDER. This payment program will go along for 3 years, if the bill is passed with my amendment.

Mr. PROXMIRE. I understand. I would like to come to consideration of the provisions of the bill.

Mr. ELLENDER. Yes.

Mr. PROXMIRE. First, I wish to consider the present plight of the corn farmer. It is my conclusion, on the basis of detailed analysis, that the feed-grain surplus is in large part the result of the previous wheat and cotton programs. We had to have wheat and cotton programs before. I am not saying that the wheat and cotton farmers are responsible for the situation. I merely say it is hard and difficult, and it seems to me unfair, to blame the corn farmer for his production, because it is a fact that the wheat and cotton programs of the Federal Government have pushed more acreage into feed grain production.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. There has been a considerable reduction in wheat acreage, particularly in the commercial wheat-producing States during the last 15 years. The reduction in acres has been about 35 percent. During the same time there has been an increase in wheat acreage in the corn areas, particularly east of the Mississippi River, because of the 15-acre

exemption provision. The farmers throughout the area east of the Mississippi River have increased their wheat acreage, while the commercial wheat farmers have had to decrease about 35 percent.

Mr. PROXMIRE. I agree with the analysis of the Senator from North Dakota, but I maintain that this is part of the results of the wheat and cotton programs, which have caused a diversion of some land.

Our chairman and the administration cite the high cost of operating the current voluntary feed grain program as the main reason for forcing farmers to approve a mandatory program or be content with price supports at 50 percent of parity or less. They do not say that the current program is ineffective.

#### PRESENT VOLUNTARY FEED GRAIN PROGRAM IS EFFECTIVE

I was greatly encouraged by the fine defense of this program which the chairman offered to the Senate the other day when he was defending the present voluntary feed grain program. They, as well as I, take pride in its effectiveness. They do not say it is more costly than the ill-conceived 1958 program which it replaces. In fact, they, as well as I, take pride in the real savings it is achieving as compared with continuing the Benzon program of 1958.

They claim only that if a mandatory program is approved in a referendum even further savings can be made. This is almost the only argument advanced for a mandatory program at this time. Yet when value of the marketings is considered, the real Government costs of the current voluntary program are not out of line with costs of the two other major programs, wheat and cotton. The annual value of feed grains produced in the United States is more than twice the value of either cotton or wheat. In 1959-61 the average annual value of the feed grains produced was \$5.6 billion; the value of wheat and cotton marketed was \$4.6 billion. Even though feed grain price supports cost more than wheat and cotton price supports combined, they would be costing only their pro rata share of the total farm program.

I ask our distinguished chairman: Does he have any information to suggest that feed grain price supports in the past have cost more than the combined costs for wheat and cotton?

Mr. ELLENDER. It is my recollection that the price support losses for corn alone was \$2.2 billion since the advent of the program.

As I pointed out today and yesterday, the Government has about \$3 billion invested in the feed grains. Of course, that is not a loss by any means, but Uncle Sam's money is tied up in that much corn and other feed grains.

Mr. PROXMIRE. Is it not true, although we have far too much of the feed grains in storage, as the Senator has said several times, and correctly, that the present feed grain program even in the greatest bumper year we ever had, in terms of weather, did reduce the surplus?

Mr. ELLENDER. It reduced the production of corn and sorghums by 421

million bushels, though we anticipated a reduction of 700 million bushels.

In all justice, if there had been no program at all, instead of having a surplus of 85 million tons we would have seen an increase of about 600 million or 700 million more bushels of corn. That is why I have contended throughout that even though the emergency program appears to be costly, if we consider the additional corn and other feed grains which it would have been necessary to store over the years, in the long run the program will save money.

As the Senator no doubt remembers, the emergency feed grain program was placed on the statute books supposedly for 1 year, in the hope that the Congress could draft permanent legislation. That is what the committee has tried to do.

Unless the amendment which I have offered to the Senate is agreed to, we will revert to the old program which has cost us so much. I venture to say that the extension of the corn and other feed grains program for the current year will cost about \$900 million. If weather conditions are as good as they were last year we may see an increase in the production of corn and of other feed grains of as much as 500 million bushels over last year.

Mr. PROXMIRE. If weather conditions are less excellent than they were, the Government will save even more money, and the cost of the program will be even less.

Mr. ELLENDER. Of course.

Mr. PROXMIRE. So that the program was tested under the most adverse circumstances, or nearly the most adverse circumstances, in view of the excellent weather. The program worked. It reduced the cost of the farm program substantially. It was a popular program. It increased farm income.

Is that a correct statement?

Mr. ELLENDER. Of course that is true. The program we now envision would not in any manner decrease the income of the farmers, because we have incorporated into the proposed program a provision which would pay the farmer for diverted acres. In effect a program similar to the emergency program we now have will cover the next 3 years.

Mr. PROXMIRE. I shall come to that subject in a minute. My contention, on the other hand, is that if the amendment is agreed to, judging from all the evidence I have seen—and I have an abundance of evidence—there will be no feed grain program at all, because the program will be voted down. I shall come to that subject in a minute.

Mr. ELLENDER. I cannot agree with the Senator from Wisconsin that the farmers would vote down price supports.

Mr. PROXMIRE. Yes, it will be voted down, because two-thirds of the farmers who will vote on the program will not be the farmer who will sell the feed grains.

Two-thirds of the farmers who will vote in the referendum use feed grains only on their farms. They do not sell feed. So those farmers would have every reason to vote again the program and no reason to vote for it.

Mr. ELLENDER. The Senator is partially correct. But I am sure thousands

of farmers in Wisconsin would be exempted from the program if they had 25 acres or less. They would not be required to vote.

Mr. PROXMIRE. Those are the farmers who concern me most. The program would be extremely unfair to those farmers. They would have to make a choice as to whether or not to vote in the referendum. Whether or not they chose to vote in the referendum, they would be limited. They would be mandated to limit production to what they produced in their base year. They could not go 1 square foot higher even in the production of corn silage.

Mr. ELLENDER. The Senator is correct.

Mr. PROXMIRE. They would not have to vote.

Mr. ELLENDER. We would permit them to grow silage if they wished to do so.

Mr. PROXMIRE. Then they would have to take a cut.

Mr. ELLENDER. That is correct. They could become members of the voting family only if they would take the cut that the others take.

Mr. PROXMIRE. What kind of proposition would that be for a farmer? I can imagine how infuriated a Wisconsin farmer would be if he had to face such a choice.

A farmer might say, "Senator PROXMIRE, do you mean to say that the Senate passed a bill that would enable us to vote, but if we vote, we must cut our production by 20 percent? If we do not vote, we shall be limited anyway. No matter what happens, we will not receive a nickel more for our milk. We cannot possibly gain from the program. It cannot but affect us adversely."

Mr. ELLENDER. My guess is that farmers who have a base of 25 acres or less, and who in the past had produced most of the grain or feed they desired, might not wish to join. They might not want price supports because they do not sell the commodity. In my judgment, the bill is directed mostly to those who plant an abundance of corn and sorghum far above their requirements.

Mr. PROXMIRE. More than 20,000 farmers now grow over 25 acres of corn and feed grains. Those farmers would be in a position in which they would be restricted by the program, whether they voted or not. A farmer who produced only 5 acres would still be limited to his base. He would be limited on his corn silage. He could not increase his feed-grain production. He would have a limitation and would not have a vote.

Mr. ELLENDER. He could pasture all he wished. He could plant all the oats he desired to plant, since oats would not be included in the feed grain program. He could plant barley for grazing.

Mr. PROXMIRE. The Senator from Louisiana knows perfectly well that the dairy farmers will feel that in order to have any kind of efficient operation, they should be able to feed the proper amount of corn or corn silage—corn silage primarily—and they cannot increase their production of corn silage. They are limited with respect to it.

Mr. ELLENDER. They would be limited to what they had planted on a historic basis.

Mr. PROXMIRE. A farmer who had only 15 cows would find that he could not increase his herd to a reasonable size without buying feed at a higher price. He could not grow a fraction of an acre more.

Mr. ELLENDER. The Senator knows that we shall probably not have a milk program this year. We are now producing milk in quantities far above what we need. I do not believe the Senator's suggestion would be very encouraging to the farmers who desired to produce more milk.

Yesterday I had printed in the RECORD a table, which appears on page 8943, indicating the estimated distribution of feed grain farms. Of the 2,239,850 farms in the United States, 1,183,310 would not be affected—almost one-half.

Mr. PROXMIRE. They would all be affected. Every last one of them would be limited in the amount of feed grains that they could produce. They might not be cut back, but they would be limited. They could not increase their feed grains or silage.

I have found over and over again in Wisconsin—and I am sure it is true of Louisiana—farmers who have a herd of approximately 15 cows. They want to make a living. They cannot do so with that size herd. So they try to build it up. Inspired by the history of freedom and growth in our country, they have a desire to increase their production. At least they want the freedom to do so.

If they are to be limited, at least they would want a vote in a democratic referendum. If the Ellender feed grain amendment were adopted, they would be limited but have no vote.

Mr. ELLENDER. They could vote if they would take the cut, as any other farmer could.

Mr. PROXMIRE. The Senator is correct. So the farmer has an option to vote. If he votes, he must take a cut of 20 percent. If a farmer does not vote, he cannot increase his production at all.

Mr. ELLENDER. The farmer could put in all the pasture acreage he desired.

Mr. PROXMIRE. Yes.

Mr. ELLENDER. He could plant all the oats and barley he desired. He could graze his acreage of barley. The only thing he could not do would be to harvest it.

I believe that if my amendments are agreed to the bill would do justice to the small farmer. I do not see that any farmer would suffer.

Mr. PROXMIRE. I ask the Senator from Louisiana if he can give me a single reason why a farmer who is exclusively a dairy farmer would vote in favor of the plan in the referendum. Why would he not vote "no"? I ask the Senator to give me one reason.

Mr. ELLENDER. Am I to understand that such a farmer would not want a program at all? Would he want price supports of any kind? If he did not want price supports, all he would need to do would be to vote the program out.

Mr. PROXMIRE. But the dairy farmer is tied to the present low price sup-

ports whether he votes for or against this program. The feed grain program will not affect milk prices in any event. The dairy farmer sells milk and receives the low support price. He does not get more or less than that, no matter what happens. He is chained to that price.

Mr. ELLENDER. The price of feed for livestock would affect the farmer's income. I am sure that the Senator from Wisconsin would not want the price of corn and other feed grains to go down to 50 cents a bushel—half of what it is now—would he?

Mr. PROXMIRE. That is exactly the situation that the dairy farmer would find himself in at the time of the referendum. He is a buyer of feed grains, not a seller. Therefore he has an interest in seeing the price go down under circumstances in which the price of milk is fixed. If the price of feed grains goes down, his costs would be less and so, of course, he would vote "no."

Mr. ELLENDER. In my judgment, he would vote "yes," in order to stabilize the price of livestock feed.

As I pointed out yesterday and today, and the RECORD is replete with this evidence—when the feed grain price is stabilized, it means that prices of meat, dairy, and other products are likewise stabilized.

Mr. PROXMIRE. But this cannot possibly affect the price of milk. I think the Senator is correct in his economic theory, and all experts agree with him with respect to beef and hogs. But because there is a price support for dairy products and because the farmer is getting \$3.11 a hundredweight—which is \$2.85 for 3.5 butterfat test milk—there is no question that on dairy products there would be every reason for the farmer to vote "no," and no reason for him to vote "yes." A great number of dairy farmers are eligible to vote. The economic positions of many farmers would require them to vote "no," and they will vote "no." Many hog and beef farmers, of course, would also vote "no," although there is an economic reason for them to vote "yes." But so far as concerns the price at which the farmer sells his beef or hogs, many farmers do not believe there is a direct connection. So they will vote "no," because they do not see any direct connection between the price supports for feed and the price of his beef or hogs.

I say this not because I want to see the plan defeated, but simply to make clear the terrible risk in enacting the mandatory program at this time. As sure as night follows day it will be defeated in the producer referendum. So what Congress will do if it enacts this program is, in fact, to abolish any feed grains program.

Maybe that is what some Senators want. But let us be very clear that this will be the very likely result.

Mr. ELLENDER. I do not know what the dairy farmers of Wisconsin will do. I do not know whether they will wish to continue producing milk at a loss, as the Senator has pointed out on many occasions.



Mr. PROXMIRE. The Senator is correct.

Mr. ELLENDER. They cannot be losing much because they remain in business.

Mr. PROXMIRE. There is nothing else for them to do. They are locked into the farm operation.

Mr. ELLENDER. I understand.

Mr. PROXMIRE. Their only alternative is to sell, get out, and join the unemployed.

Mr. ELLENDER. As I have pointed out on many occasions, something must be done in order to control production of feed grains as well as wheat. I shall include milk and other products. As the Senator knows, the committee did all it could recently to incorporate a milk program in the bill.

As the Senator knows, the milk producers of this country can produce all the milk they desire to produce without limitation. The price support ranges from 75 percent to 90 percent of parity. This program was put on the statute books in 1949. I have the most

recent figures issued by the Department of Agriculture, indicating that the milk program costs the Government—including purchases, during last year, for butter and cheese and dried milk, and programs for schoolchildren and so forth—since 1949 through February 28, 1962—\$3,980 million, or almost \$4 billion. Such programs as these, if they continue without any controls, in my humble judgment will mean that they will affect good programs that are on the statute books. I do not want that to happen.

Mr. PROXMIRE. The Senator has produced some interesting figures. He has said that the cost has been nearly \$4 billion, for a period of approximately 12 years.

Mr. ELLENDER. That is right.

Mr. PROXMIRE. That is less than \$300 million a year, which is the amount the administration now says it is desirable to spend to purchase dairy products for constructive purposes, including school lunch, armed services, veteran programs, donations and welfare, and so forth.

Mr. ELLENDER. I am not complaining. The point I make is that, as the Senator points out, the average is \$300 million, but, last year alone, as I pointed out in committee, the cost was \$626 million.

Mr. PROXMIRE. I share the feeling of the Senator from Louisiana. We have to do something about the problem. I am offering an amendment to that effect. I am hopeful the Senator from Louisiana will give it consideration when the amendment is under consideration on the floor.

Mr. ELLENDER. Mr. President, will the Senator from Wisconsin permit me to place in the Record the table to which I have referred?

Mr. PROXMIRE. Yes; this would be a good place to insert it in the Record.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the table to which I have referred may be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION

Acquisitions, dispositions, expenditures, realized losses, and sec. 32 costs

SUMMARY OF ALL DAIRY PRODUCTS

Marketing year beginning Apr. 1	Quantity (millions of pounds)				Expenditures by U.S. Government (millions of dollars)						Net realized losses and sec. 32 costs <sup>1</sup> (millions)
	Purchases	Sales	Donations	Inventory at end of marketing year	CCC purchases	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	
1949.....				414							
1950.....	519	592	237	104	\$144	\$10				\$154	\$118
1951.....	53	117	12	28	8	1	\$4			13	15
1952.....	282	53		257	110	1	2			113	22
1953.....	1,262	187	113	1,219	432	21	9			462	197
1954.....	1,292	1,037	434	1,040	387	42	2	\$34	\$1	466	345
1955.....	1,132	367	1,254	551	249	50		21	9	329	584
1956.....	1,430	612	1,004	365	295	35		51	13	394	367
1957.....	1,851	395	1,404	417	344	30	9	62	25	470	437
1958.....	1,502	517	1,229	173	226	23	25	80	23	377	378
1959.....	1,564	344	1,163	230	216	14	7	78	23	358	312
1960.....	1,505	370	1,028	337	201	12	3	85	24	325	322
1961 (through Feb. 28, 1962).....	1,972	299	1,307	703	426	17		81	21	545	307
Total.....	14,364	4,890	9,185	703	3,038	256	61	492	139	3,986	3,404

BUTTER

Marketing year beginning Apr. 1	Purchases	Sales	Donations	Inventory at end of marketing year	CCC purchases	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	Net realized losses and sec. 32 costs <sup>1</sup> (millions)
1949.....				87							
1950.....	126	134	69	10	\$75	\$3				\$78	\$44
1951.....	( <sup>2</sup> )	5	5		( <sup>2</sup> )	( <sup>2</sup> )				( <sup>2</sup> )	4
1952.....	106	11		95	71	( <sup>2</sup> )				71	17
1953.....	326	75	16	330	212	7				219	75
1954.....	294	115	154	355	175	17				192	134
1955.....	172	91	322	114	98	20				118	300
1956.....	161	146	101	28	95	7				102	103
1957.....	197	106	37	82	117	4				121	89
1958.....	168	171	37	42	98	5				108	88
1959.....	135	50	83	44	78	4				82	87
1960.....	153	107	18	72	90	4				94	129
1961 (through Feb. 28, 1962).....	333	119	47	239	201	6				207	37
Total.....	2,171	1,130	889	239	1,310	77				1,387	1,107

CHEESE

Marketing year beginning Apr. 1	Purchases	Sales	Donations	Inventory at end of marketing year	CCC purchases	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	Net realized losses and sec. 32 costs <sup>1</sup> (millions)
1949.....				22							
1950.....	109	102	29	( <sup>2</sup> )	\$35	\$2				\$37	\$25
1951.....	1	1			( <sup>2</sup> )	( <sup>2</sup> )				( <sup>2</sup> )	( <sup>2</sup> )
1952.....	40	1		39	16	( <sup>2</sup> )				16	1
1953.....	317	23	14	319	122	6		\$6		134	28
1954.....	319	148	83	407	115	13				128	40
1955.....	151	29	234	295	52	19				71	129
1956.....	202	135	155	207	73	19				92	91
1957.....	240	58	201	188	88	16				104	118
1958.....	52	116	113	11	18	10				28	73
1959.....	52	25	26	12	18	2				20	19
1960.....	( <sup>2</sup> )	12			( <sup>2</sup> )	( <sup>2</sup> )				( <sup>2</sup> )	( <sup>2</sup> )
1961 (through Feb. 28, 1962).....	123	( <sup>2</sup> )	64	59	47	2				49	26
Total.....	1,606	650	919	59	584	89	6			679	550

## U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION—Continued

## Acquisitions, dispositions, expenditures, realized losses, and sec. 32 costs—Continued

## MILK, DRIED

Marketing year beginning Apr. 1	Quantity (millions of pounds)				Expenditures by U.S. Government (millions of dollars)						Net realized losses and sec. 32 costs <sup>1</sup> (millions)
	Purchases	Sales	Donations	Inventory at end of marketing year	CCC purchases	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	
1949.....				305							
1950.....	284	356	139	94	\$34	\$5				\$39	\$49
1951.....	52	111	7	28	8	1	\$4			13	11
1952.....	136	41		123	23	1	2			26	4
1953.....	619	89	83	570	98	8	3			109	94
1954.....	602	766	181	225	94	12	2			108	136
1955.....	581	184	480	142	98	11				109	122
1956.....	750	331	431	130	127	9				136	109
1957.....	811	231	563	147	139	10	9			168	143
1958.....	719	230	516	120	110	8	25			143	114
1959.....	812	269	489	174	120	8	7			135	105
1960.....	775	251	433	265	111	8	3			122	84
1961 (through Feb. 28, 1962).....	1,017	180	697	405	178	9				187	142
Total.....	7,158	3,039	4,019	405	1,140	90	55			1,285	1,113

<sup>1</sup> Net realized losses are on a marketing year and sec. 32 costs are on a fiscal year basis.<sup>2</sup> Less than 500,000.<sup>3</sup> Includes collateral acquisitions of whey.

## Acquisitions, dispositions, expenditures, and realized losses by marketing year

## MILK, FLUID

Marketing year beginning Apr. 1	Quantity (millions of pounds)				Expenditures by U.S. Government (millions of dollars)						Net realized losses (millions)
	Purchases, armed services milk	Sales	Donations	Inventory at end of marketing year	CCC purchases	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	
1950.....											
1951.....											
1952.....											
1953.....											
1954.....	16		16					\$34	\$1	\$35	\$35
1955.....	218		218					21	9	30	30
1956.....	317		317					51	13	64	64
1957.....	603		603					62	25	87	87
1958.....	563		563					80	23	103	103
1959.....	565		565					78	23	101	101
1960.....	577		577					85	24	109	109
1961 (through Feb. 28, 1962).....	499		499					81	21	102	102
Total.....	3,358		3,358					492	139	631	631

## WHEY

Marketing year beginning Apr. 1	Quantity (millions of pounds)				Expenditures by U.S. Government (millions of dollars)						Net realized losses (millions)
	Collateral acquired	Sales	Donations	Inventory at end of marketing year	Collateral acquired	Carrying charges	Sec. 32 purchases	Special milk program	Armed services milk	Total outlay	
1950.....											
1951.....											
1952.....											
1953.....											
1954.....	61	8		53	\$3	( <sup>1</sup> )				\$3	( <sup>1</sup> )
1955.....	10	63			1	( <sup>1</sup> )					( <sup>1</sup> )
1956.....						( <sup>1</sup> )					
1957.....											
1958.....											
1959.....											
1960.....											
1961 (through Feb. 28, 1962).....											
Total.....	71	71			4	( <sup>1</sup> )				4	3

<sup>1</sup> Less than 500,000.

## FEED GRAINS NOT COMPARABLE TO TOBACCO, COTTON, WHEAT

Mr. PROXMIRE. I wish to emphasize what I am trying to bring out. I believe the distinguished chairman and the administration overlook two points when they propose a program for feed grains essentially similar to the mandatory programs for wheat, cotton, tobacco, rice and peanuts.

The first is that about two-thirds of the feed grain growers voting in a refer-

endum produce feed grains solely or primarily to feed their dairy herds and other livestock. They are interested primarily in the price of their livestock products and only secondarily in the price of feed grains. About one-third of those voting in the referendum will have fewer than 50 acres of feed grains and fully half of the voters will be far more concerned with the size of their livestock feed base than with the price support level for feed grains.

The second is that many producers who vote for marketing quotas on their major money income crops may vote against marketing quotas for their supplementary feed grains crops, which are the basis of their livestock programs. There are about 235,000 farms in the major wheat-producing States excluding Texas and Oklahoma, which also are important cotton-producing States, and 292,000 farms in major cotton- and tobacco-producing States growing over 25



acres of feed grains and eligible to vote in a feed grain referendum. This is almost half of the producers who will be eligible to vote.

It is true that those who sell their feed grains will have the same interest in feed grain quotas as in quotas on other crops. But only a minority sell their feed grains. Those who feed their grains to livestock in the feed-deficit areas more typically oppose restrictive quotas on feed grains, while favoring quotas on their cash crops.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ELLENDER. The Senator was discussing, I believe, the large increase in acreage of feed grains which took place in the South.

Mr. PROXMIRE. I did not say that there was a large increase in the South, specifically. What I said was that there was acreage in cotton which had been diverted out of cotton, and that there had been wheat acreage which had been diverted out of wheat, and so forth.

Mr. ELLENDER. According to the Department of Agriculture's pamphlet entitled "Wheat, Feed, Livestock, Feed Grains—Changes in Harvested Acres, Yields, and Production, by Regions, 1940, and 1942 to 1956 and 1958,"—which is about the time when all of this decrease took place in acreage of cotton, rice, and other supported crops—the table I have before me shows that in the Southeastern

States there was a decrease of 31 percent in feed grain acreage, and that in the delta States, which include my State and Mississippi and Alabama, there was a decrease of 49 percent. Where the feed grain acreage increase took place was in the Mountain States, where there was a 21-percent increase, and in the Pacific Northwest where the increase was 62 percent.

Mr. PROXMIRE. I did not specifically refer to the South, and I did not try to attack any region of the country. I said that they had diverted acreage, and most of it was out of wheat.

As the Senator knows, wheat is not a crop of the South, generally. It is generally a crop of the North. This is where the biggest diversion took place. It was out of wheat and out of cotton.

Mr. ELLENDER. There are quite a number of cotton States that did plant wheat as a feed grain.

Mr. PROXMIRE. Yes.

Mr. ELLENDER. Will the Senator permit me to put this table in the RECORD in connection with our discussion?

Mr. PROXMIRE. Yes.

Mr. ELLENDER. Mr. President, I ask unanimous consent that table No. 9, appearing at page 22 of the pamphlet I hold in my hand, be printed at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 9.—Feed grains: Changes in harvested acres, yields, and production, by regions, 1940–42 to 1956–58

Region	Percentage change			Actual change		Percentage of total production, 1956–58
	Harvested acres	Harvested yields	Production	Harvested acres	Production	
	Percent	Percent	Percent	Million acres	Million tons	Percent
Northeast.....	-9	40	27	-0.5	1.2	4.0
Lake States.....	2	37	40	.4	6.5	15.9
Corn Belt.....	1	29	30	.5	13.8	41.8
Appalachian.....	-27	49	9	-2.8	.6	5.4
Southeast.....	-31	109	44	-3.4	1.7	3.8
Delta States.....	-49	51	-23	-3.4	-.7	1.8
Southern Plains.....	-9	56	42	-1.2	2.6	6.0
Northern Plains.....	0	33	33	0	5.4	15.2
Mountain.....	21	45	76	1.0	1.9	3.1
Pacific.....	62	40	126	1.7	2.4	3.0
United States.....	-5	40	33	-7.9	35.4	100.0

Mr. PROXMIRE. I have talked to a number of distinguished Senators, including Senators from the South and other areas, who say they are going to vote for the feed grain amendment. In some cases they are not very enthusiastic about it. They say they are in a position where they have to do so, but many of them tell me that their farmers are going to vote against it.

#### MANY PRODUCERS WILL VOTE "NO"

Reports have come to me from the Southern States indicating the probability that feed grain quotas would fail to win the necessary two-thirds approval in the first year. Further, in subsequent referendums the favorable votes would be even fewer, especially if the acreage diversion payments are reduced after the first year.

In addition to the 527,000 eligible feed grain producers in the wheat and cotton

areas, there are about 215,000 farmers in the dairy States from Wisconsin eastward, who grew more than 25 acres of feed grains. All reports from these States indicate fewer than a majority of these producers, will favor marketing quotas for feed grains.

I believe that is a very conservative statement. I have tried to point out in my colloquy with the Senator from Louisiana that there is no reason why a dairy farmer should vote "Yes." The dairy farmers will vote "No." Some of them may be in favor of the program because they approve of the Secretary of Agriculture and of the President of the United States, and want to support them. There are people like that. They are fine people. They may do so because they feel that in the long run it will help. However, the majority of these farmers will sit down with pencil and paper and

in a hardheaded way figure out, "What's in it for me?" They are expected to do that.

#### REPLY TO SECRETARY

At this point I ask unanimous consent that my reply to the letter I received from Secretary Freeman dated May 21 be printed in the RECORD. The Secretary's letter, which responded to my earlier letter of May 11, appears in yesterday's RECORD. My letter of May 11 appears in the RECORD of May 17.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 23, 1962.

Hon. ORVILLE FREEMAN,  
Secretary of Agriculture.

DEAR MR. SECRETARY: I have studied your reply to my letter of May 11, with much interest. There are several crucial points, however, which you overlook when you propose a program for feed grains similar to the mandatory programs for wheat, cotton, tobacco, rice, and peanuts.

The first is that two-thirds of the feed grain growers voting in a referendum produce feed grains solely or primarily to feed their dairy herds and other livestock. They are interested primarily in the price of their livestock, and only secondarily in the price of feed grains. In addition about one-third of those voting in the referendum have less than 50 acres of feed grains, and fully half of the voters will be far more concerned with the size of their livestock feed base than with the price support program for feed grains.

I note you include Wisconsin, Michigan, and Ohio, in the Midwest States, that have a direct interest in feed grain price supports similar to the Central Corn Belt and Plains States. By this grouping you found that 78 percent of the feed grain producers were located in the Midwest and Plains States where interest in feed grain price supports is highest.

It simply is not true that Wisconsin, Michigan, and Ohio have an interest in feed grain price supports similar to that of the cash grain producing areas. If these States are shifted to the other group, you will find, by your own data, that only 67 percent of the voters are located in the Central Corn Belt and Plains States.

Second, you state it is "unbelievable" that small producers would participate in the referendum and vote "no," because these producers would be exempt from the program if they didn't vote.

Small feed grains producers would not be exempt from the program. They would be restricted by law to growing not one square foot more silage or feed grains than they planted in 1961. Since many of these small producers buy feed to feed their livestock, they would also not be exempt from having to pay more for the feed they buy.

Far from being exempt from the program, they are sharply restricted by it and their costs may be raised by it. They would have a substantial monetary reason to vote in the referendum and vote "no."

Third, many producers who vote for marketing quotas on their major money income crops may vote against marketing quotas for their supplementary feed grain crops which are the basis of their livestock programs. It is true that those who sell feed grains will have the same interest in feed grain quotas as in quotas on other crops. But only a minority sell their feed grains. Those in the feed-deficit areas who feed their grains to livestock oppose restrictive quotas on feed grains, while favoring quotas on their cash crops.

A distinguished agricultural economist from a Southern State said recently that it is doubtful that a referendum on feed grain

quotas would be approved in the Southern States by a two-thirds majority the first year. Further, in his opinion, with more education, in the subsequent referendums fewer southern feed grain producers would favor mandatory quotas than in the first referendum. This especially would be true if the payments are lowered after the first year.

After reviewing the analysis you have presented, and all other information available to me, I reluctantly conclude that if a mandatory program for feed grains is to have a reasonable chance of success over a period of years, we must either develop a more acceptable mandatory program, or we must arrange for simultaneous referendums on at least the three major crops—feed grains, wheat, and cotton—with each farmer casting one vote either for or against marketing quotas on all quota crops on his farm.

Sincerely,

WILLIAM PROXMIRE,  
U.S. Senator.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. I notice that the Secretary of Agriculture seems to take exception to the contention of the Senator from Wisconsin that the farmers will vote down the feed grain proposal. I believe there is a letter from the Secretary which the Senator from Wisconsin inserted in the Record yesterday.

Mr. PROXMIRE. If I could reply at that point I would like to say that the letter was inserted by the chairman of the committee. I have an answer to the letter, which I have just inserted in the Record. I am delighted that the Senator has brought up this point.

Mr. AIKEN. The Secretary of Agriculture gives his reasons why farmers, even though they might vote against it during the first year, will not do so in the second year. He says:

The price support of \$1.20 per bushel for corn announced for the 1962 marketing year would support cash prices during part of the 1962 marketing year, even if there were to be a much lower price support in 1963. But the prospect of a large 1963 crop and a very low support level would put severe pressure on cash and futures prices in the spring and summer of 1963. Prices would be weak, and farmers would be expecting extremely low market prices in midsummer 1963, when the second feed grain referendum would be held.

How does the Senator from Wisconsin interpret that? It looks as if the Secretary of Agriculture planned that if the farmers voted against the program once, he would put support levels at a place where the farmers would vote for them the next time—or else. Is that the interpretation which the Senator puts on the letter?

Mr. PROXMIRE. It is hard for me to interpret that letter, when my question was directed to the effect on dairy farmers especially, but also to the effect on beef and hog farmers, because the dairy farmers would still have an incentive to vote against the program for high feed prices, since their support price is established at a low level.

Mr. AIKEN. I was seeking an interpretation of the Secretary's language which, on its face, looks as if he felt that supports would be put so low and the downward pressure on prices and income would be such that the farmer would have to vote for it. I do not agree that

the Secretary's theory would work out in practice, any more than I understand that the theory of the Senator from Wisconsin would; but I am surprised that the Secretary even intimated that this kind of pressure would be used.

Mr. PROXMIRE. I have faith in the Secretary of Agriculture.

I think he is an able man and an outstanding public servant, having an excellent record. I am sure he believes in the farmer and will do all possible to keep his income high. I do not believe that, if he could possibly avoid it, he would permit a situation of low farm income to result.

Mr. AIKEN. I do not believe the Secretary of Agriculture is the kind of man who would put undue pressure on farmers, to force them to do what he wanted them to do in every case. I suppose he must have read this letter, having sent it to the Senator from Wisconsin; but it does seem to have somewhat peculiar wording.

Mr. PROXMIRE. I thank the Senator from Vermont.

Mr. President, in the past few days I have several times pointed out that, in view of these facts, if a mandatory feed grain program is to be approved in a referendum, it is imperative that we arrange for simultaneous referendums on the major quota crops—feed grains, wheat, and cotton—with each farmer casting one vote either for or against all quota crops on the farm.

I call the particular attention of the Senator from Louisiana to this proposal, because I expect to call up tomorrow the amendment I have offered to his feed grain amendment, and I hope I will have the Senator's consideration of the proposal.

#### SIMULTANEOUS REFERENDUMS A MUST

The reason for simultaneous referendums is that where there are overall examples of diversion, we know perfectly well there will be a tendency on the part of some farmers to vote for, let us say, a cotton program which will limit their acreage, but against the feed grain program. Under those circumstances, they would then be free to go ahead and plant as much of their acreage as they wished in feed grain, and have the benefit of the cotton program, a high price support, and a subsidy as well. So it seems to me that this kind of a proposal would make sense, and it would secure what I have been trying to plead for on the floor of the Senate, day after day, for some time, namely, a better chance for a favorable vote on the referendum and a much better incentive for farmers to vote for the program, and not against it.

Returning, now, to the amendment which the chairman of the committee proposes to offer, I note that it would include a national minimum quota of 110 million tons of the feed grains: corn, grain sorghums, and barley. Can the chairman advise me how this compares with the production in the base period 1959-60? How much of a cut in base acreage would be involved if the quota was set at this national minimum?

Mr. ELLENDER. In 1960, if I remember correctly, production of all feed grains amounted to about 155.6 million

tons. Production of corn amounted to 109.4 million tons; barley, 10.3 million tons; oats, 18.5 million tons; and grain sorghums about 17.4 million tons.

Mr. PROXMIRE. This proposal, then, is for 110 million tons?

Mr. ELLENDER. One hundred and ten million tons is the minimum.

Mr. PROXMIRE. So the cut could be as much as 46 million tons, or a reduction of approximately 43 or 44 percent—at least, more than 40 percent.

Mr. ELLENDER. The total production figure I quoted, of course, included oats and rye. Under the law, oats and rye are out.

Mr. PROXMIRE. Then the reduction would be in the order of perhaps 30 or 35 percent?

Mr. ELLENDER. Yes; less whatever the rye and oats amount to.

Mr. PROXMIRE. I note that the amendment does not include oats in the feed grains to be controlled; and if the producer wished, an acreage for silage up to the acreage in the base period would not be counted in computing the farm allotment. This tends to make the program more acceptable in my State.

However, the provision that a marketing quota for the following year must be proclaimed by June 20, and a referendum held not more than 60 days later, limits the administration to less than 3 months to prepare for a referendum and to conduct the educational programs which are so necessary for a successful first referendum.

This appears to me to be a wholly unsatisfactory situation. Yet I realize that the referendum must be conducted in time to permit winter barley producers to make their plans accordingly.

#### SMALL FARMERS DISFRANCHIZED

Several Senators and other individuals have indicated their concern about the small acreage provisions of the proposed mandatory program. This is one of the most controversial sections of the amendment of the Senator from Louisiana. As I understand, any producer having 25 acres or fewer of feed grains may elect to participate in the program if he chooses.

If he elects in writing to participate, he may vote in the referendum; and if quotas are approved, he must plant within his allotment and is eligible for price supports. Is that correct?

Mr. ELLENDER. That is correct.

Mr. PROXMIRE. If he elects not to participate, he cannot vote in the referendum. Yet if the referendum is approved, he cannot exceed his acreage of feed grains in the base period without being subject to a heavy penalty. I ask the Senator from Louisiana: Do I understand this provision correctly?

Mr. ELLENDER. That is correct; that is the way it ought to be.

Mr. PROXMIRE. That is hard for me to understand. Is it not true that there are about 1,200,000 feed grain producers having fewer than 25 acres?

Mr. ELLENDER. I gave the figure to the Senator from Wisconsin a while ago.

Mr. PROXMIRE. I believe that figure is correct.

Is there any precedent in any farm program for restricting the right of



1,200,000 small farmers to produce feed grains without giving them an opportunity to vote in the referendum without serious economic penalty?

Mr. ELLENDER. That is done with wheat. The Senator from Kansas can tell us about that. A 15-acre provision was included in the wheat bill. Any farmer could join in the program and plant up to 15 acres. He could not vote, but he could do what he wanted to do with his production; he was not penalized. The Senator from Kansas can tell more about that situation than I can. In my humble judgment, it was a grave mistake to include such a provision in the wheat law.

Mr. PROXMIRE. I think it is a great mistake to include it in this bill.

Mr. CARLSON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield to the Senator from Kansas.

Mr. CARLSON. The Senator from Louisiana is absolutely correct. It is a problem which has had a serious effect on the wheat production of the Nation. We might as well be practical. It is the only way in which legislation can be passed. It was necessary to do something in order to get the bill approved, because legislation was necessary.

Mr. ELLENDER. So far as the wheat producer is concerned, whether the grower had a history or not, he could simply plant 15 acres. But under my amendment to the corn and other feed grains bill, the farmer must have a history; he cannot just plant. The amendment does not permit new growers to come in without an allotment. That is the difference. We have tried to protect the situation in contrast with what the situation was with respect to wheat.

Mr. PROXMIRE. In other words, under this provision, the farmer who grows no feed grain now can grow none in the future. That was not true of wheat.

Mr. ELLENDER. He becomes a new grower. As the Senator knows, under the law there is a certain percentage of the entire overall acreage which is allotted to farmers which is set aside for new growers. He would get his proportionate share of that.

Of course, as the Senator knows, the same thing applies to wheat, to cotton, and to all the other basic crops which are under price supports.

Mr. PROXMIRE. This is certainly the first time when such a tremendous number of farmers—1,200,000—have been placed in a position where they cannot increase their production and cannot vote; or if they choose to vote, they have their production reduced as much as 20 percent.

Mr. ELLENDER. I think the amendment is in their favor. If the Senator wants cheap feed grain for his producers, now is the time to get it.

#### CHEAP FEED NOT THE ANSWER

Mr. PROXMIRE. The Senator from Wisconsin does not want cheap feed grain. He knows that cheap feed grain means cheap milk. It results in a terrible problem for all farmers. But there will be cheap feed grain, if the Senator's amendment is adopted because it will not be possible to get a two-thirds

vote on the referendum. Then there will be real chaos and tremendous overproduction.

Mr. ELLENDER. I wish I could agree with the Senator from Wisconsin, but I cannot conceive of farmers voting against any kind of price supports in view of the fact that there is so much feed grain now in the hands of the Government.

Mr. PROXMIRE. Let us come back to the fundamental proposition, which is that two-thirds of the farmers will not be voting against price supports. There are no price supports on hogs or beef, and the dairy price supports will not be affected by the vote in the referendum. Therefore, they will be voting for freedom to produce as much feed grain as they wish or to buy cheaper feed grain, without any direct effect which they can see on the price of what they sell.

This will be the first time we have ever had such a referendum. Sam Lubell, whose professional reputation is excellent, whose samplings of public opinion have been found to be accurate over and over again and who has talked to thousands of farmers has written reports that they are overwhelmingly against this program. I have not seen any survey which indicates other than that they will vote "no." The Department of Agriculture has a theory that they will vote "yes," but I have shown very clearly that this is in error.

So it seems to me that there is a very strong chance that if the Senate adopts the amendment, since it does not affect a provision in the bill as passed by the House, there will be no basis in conference to drop this amendment and the Senate amendment will be the final provision. So this is the crucial step that may mean no price supports.

Mr. ELLENDER. No, Mr. President; there is a difference between the two versions, and there will be a conference.

Mr. PROXMIRE. But there will be no conference in regard to whether there will be a mandatory feed grain program; and the provisions of the two versions are roughly similar, although there are some exceptions and differences.

But my point is that the vote to be taken in the Senate tomorrow will be fateful; and, according to all the objective expert evidence we have, that would mean that there would be no supports for corn or other feed grains and no controls within a few months from now, when the program fails to get two-thirds approval in the referendum.

Mr. ELLENDER. Let me say that there is not a basic commodity that has received the treatment that corn has.

Mr. PROXMIRE. My position is that it has received bad treatment—

Mr. ELLENDER. No, Mr. President, in some way the corn producers have had the power and have had enough votes to keep themselves from being subjected to controls of any kind. They have had good backing from some source, although I do not know what it is. But I have said many times on this floor that I do not think it is right for a farmer to expect the Government to support the price of the crops he produces, unless he is

willing to reduce his production in keeping with our requirements.

Mr. PROXMIRE. Mr. President, I accept that as a principle.

Mr. ELLENDER. And that is all my amendment does.

Mr. PROXMIRE. But that is not the question the farmer is asked to vote on. I am sure that if the only farmers who would be voting would be the commercial feed grain producers, there might well be a two-thirds approval in favor of the proposed program. But the dairy farmers will vote "no." The dairy farmers I have talked to in Wisconsin generally agree that they will vote "no." And many others will vote "no."

Mr. HOLLAND. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. PROXMIRE. I yield.

Mr. HOLLAND. Is it not possible that the reason why Congress and the country generally have never required acreage controls for feed grains is that more than 80 percent of the corn produced is consumed either on the farms where it is produced or in their immediate neighborhood, but the same is not true as to cotton, tobacco, or any of the other price-supported commodities?

Mr. PROXMIRE. That is correct.

Mr. HOLLAND. And does not the Senator from Wisconsin think that that situation has justified a real distinction between the handling of those crops and the handling of wheat, cotton, tobacco, rice, and the like?

Mr. PROXMIRE. Absolutely so, and that distinction is enormously important, because if we state that because this arrangement works with tobacco, cotton, peanuts, and so forth, it will work with feed grains, we are deceiving ourselves, because, as the Senator from Florida has pointed out, some 80 percent of these farmers feed on their own farms all the grain they produce, and they have no apparent incentive to be in favor of voting to limit their production.

Mr. HOLLAND. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. PROXMIRE. I yield.

Mr. HOLLAND. I wish to call the Senator's attention to the fact that, as to many States and many areas, not just 80 percent or 85 percent of the feed grains produced on the farms are consumed on the premises or in the immediate neighborhood, but the entire amount produced there is consumed there, because so many of the areas do not produce all the feed grains they need. For instance, my own State, which is a large producer of livestock and a sizable producer of poultry and a sizable producer of corn and hogs, not only produces a great deal of feed grains, all of which it uses, but also imports large quantities of feed grains from the areas where it is produced, and imports them at a much higher price than would be paid if those feed grains were imported from nearby areas, because Florida is so far removed, geographically, from the large producing areas.

So what possible reason is there to require a reduction in the production acreage in a State such as Florida.

Mr. PROXMIRE. Or in the State of Wisconsin.

Mr. HOLLAND. Or in other States which can be mentioned, when such a situation exists, and is well known to the committee and to the public and to everyone else who knows anything about the facts.

Mr. PROXMIRE. And what the Senator from Florida has said about Florida is also true of Wisconsin and of many, many other States.

The fact is that Wisconsin is primarily a dairy State, but Wisconsin is also a corn and hog producing State, but produces no feed grains, to speak of—probably less than 2 percent for commercial sale. So the farmers in Wisconsin have no reason to vote affirmatively on this program. Some of the farmers will do so because they have strong support for the Secretary of Agriculture and for the President of the United States, and will follow them. But by and large the overwhelming number of farmers in Wisconsin who sit down with a pencil and paper will vote "no"; and what is true in Wisconsin is also true in Michigan, and tends to be true in Ohio and in New York and in State after State after State. No matter what affirmative vote is received in States in which corn is produced in large quantities—for instance, in Iowa—the affirmative votes cast in those States cannot possibly be enough to carry the referendum; and every independent expert agrees with that statement. The Department of Agriculture disagrees—but disagrees on theory, not on the basis of actual surveys. And their theory, too, does not stand up under detailed analysis, as I have shown.

Mr. HOLLAND. Does the Senator from Wisconsin think there is any fairness in imposing acreage controls and reducing production in States, such as Wisconsin and Florida, where the amount of feed grains produced is not sufficient to feed the stock, but at the same time to have knowledge of the fact that the feed grain which the farmers in those States will import—and this is more true in Florida than it is in Wisconsin—must be sold at a considerably higher price than the feed grains produced locally, because of the large transportation cost involved. Is there any fairness in such a program?

Mr. PROXMIRE. It is not just a question of fairness. The individual farmer who produces less than 25 acres has the option of either voting in the referendum and agreeing to accept a cutback or not voting at all. But either way he faces a limitation on the amount of corn and silage and feed grains which he can produce. There are 1,200,000 farmers who will be in that position—who have less than 25 acres, and who may have no vote, but who will have their production limited. I certainly do not look forward to having to explain that situation to the farmers in Wisconsin; that will be a very tough one to explain—to explain how they can be told by the Department of Agriculture that

they cannot increase their production, even though they did not vote.

Mr. HOLLAND. Is it not true that substantially the same program as to feed grains was voted down by a majority of the Senate Committee on Agriculture and Forestry, and that the bill could never have been reported to the Senate with a favorable vote by a majority of the committee, except for the fact that that amendment was voted down in the committee?

Mr. PROXMIRE. I think that is correct; I believe it would have been much more difficult to get the bill reported if the amendment had not been rejected in the committee.

Mr. ELLENDER. Well, Mr. President, I disagree; but I shall not now state why.

Mr. PROXMIRE. Mr. President, believing as I do, it should be abundantly clear that my opposition to the proposed mandatory feed grains program is in no sense based on any hostility to the Department of Agriculture or its able Secretary, my good friend, Orville Freeman.

In spite of the attacks on Secretary Freeman, including the very recent attacks, I have the greatest admiration and respect for him and his staff. They have been doing an excellent job under difficult and trying circumstances.

But as I made plain in my statements in the Senate on April 17, and again on May 17, which appear in the CONGRESSIONAL RECORD on pages 6762 and 8722, I cannot bring myself to vote for a program that demonstrably will result in income devastation for by far the largest group of farmers in our country—the feed grain, dairy, and livestock producers.

#### RELATIVE COSTS FOR FEED GRAINS NOT HIGH

On page 8939 in the RECORD for May 22 Chairman ELLENDER inserted a table showing the Government costs of alternative programs for 1963 crops. I ask that it be printed again at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Government cost of alternative programs for 1963 crops  
(In millions)

	Feed grains	Wheat	Feed grains and wheat
Long-range program.....	\$644	\$1,188	\$1,832
Extension of 1961-62 emergency programs.....	1,200	1,217	2,417
Return to 1960 programs.....	1,372	1,465	2,837

Mr. PROXMIRE. Mr. President, the figure of \$1.2 billion projected cost for an extension of the present feed grain program, as provided in the committee bill, is misleading.

First. This is a bookkeeping cost for payments in kind. Real value of grain in storage is far less. Most of it would be disposed overseas eventually for no dollar returns.

Second. Real cost depends on weather and crop yields. It is the cost of taking over the new crop. If we have average weather and yields, rather than bumper

crop of last year, actual costs will be about half: \$600 million.

The figure of \$1,188 million for wheat under administration-backed long-range program is almost equal to the unrealistic bookkeeping cost projected for extension of feed grain program.

But the value of the wheat crop produced in the United States runs less than 40 percent of feed grains. If costs of price supports are related to total values of crops—the only fair comparison—then feed grains under any program are entitled to substantially more support, on the order of \$2.5 billion.

I am certainly not advocating this. But since the real cost of the feed grains extension in the coming year is likely to be about \$600 million, which is half the projected cost of the proposed wheat program and less than one-fourth the cost of expenditures for feed grains that would be comparable to the wheat program, it certainly is misleading to call the feed grains extension a wasteful, costly plan.

Indeed, the cost of extending the present successful voluntary program for 1 year, as I recommend and as the Senate Agriculture Committee approved, could in all likelihood be less than the \$644 million outlay projected for the mandatory feed grains program, a program which I have shown over and over again is likely to be rejected in the producer referendum, with the devastating results of no price supports, vast overproduction of feed, distress livestock prices, and a greater than every dairy surplus.

#### SUMMARY

I want to summarize by saying that every farmer should realize the tragic risk in the administration-backed mandatory feed grain proposal.

If enacted by Congress it would be subject to two-thirds approval in a nationwide referendum. All independent studies and polls show that a substantial majority of the 1.2 million farmers who grow 25 acres or more of feed grains would vote "no" on a mandatory acreage quota program, so it would be defeated.

The result: no price supports, no output controls, vast overproduction of feed, low feed prices, and the grim consequences of 9-cent hogs, distress beef prices, and a greater than ever dairy surplus.

This would be tragic for Wisconsin farmers, who even at present price levels earn an average of less than 60 cents an hour for their labor, though they have an average investment of \$40,000 in their farms and have increased their labor enormously.

What is more, in voting on the mandatory feed grain program, dairy farmers would have every reason to vote against it.

Dairy farmers will be chained to \$3 11 per hundredweight, 75 percent of parity milk—\$2.85 for 35 milk—and will have every reason to reject a plan which will limit the amount of feed and silage they can grow on their own land and increase the price of the feed they buy.

Even farmers who grow less than 25 acres of feed grain who do not vote in



the referendum would be prevented from growing more than their 1960 base acreage.

The Senate Agriculture Committee wisely rejected the Department of Agriculture's mandatory program and voted for the Proxmire amendment, which extends the present successful voluntary feed grain surplus reduction program proposed by the administration last year.

I want to emphasize that this is not a matter of simply rejecting the administration's proposal. It is a matter of rejecting a mandatory proposal for a voluntary program which I agree is an interim proposition, and which I agree should stay on the books for perhaps only 2 or 3 years, but recognizing the fact that it has been a successful program and that to continue the program is the safe and sane and practical thing to do.

This program has increased farm income, reduced the surplus, and cut the cost to the taxpayer. It is popular and it is working. It should be strengthened and extended, not abandoned for a dangerously risky and cumbersome mandatory plan.

In the event the Ellender amendment is not rejected, I shall offer an amendment to tighten up the program, which would require compliance on a substantially broader basis and which will sharply cut the cost of the program.

#### MANDATORY WHEAT PROBLEM HINGES ON APPROVAL OF FOOD GRAIN REFERENDUM

Mr. President, I apologize for detaining the Senate further, but I would like to ask the chairman of the committee a question.

Is it not true that the proposed long-range mandatory marketing quota programs for wheat and feed grains are interlocked, so that if one is rejected in a referendum, the other cannot work?

Mr. ELLENDER. They are somewhat related, but each could work by itself.

Mr. PROXMIRE. Specifically, the key feature of the wheat program, from the viewpoint of the wheatgrowers, is that wheat may be grown on diverted feed grain acres, at the Secretary's discretion.

Mr. ELLENDER. And vice versa.

Mr. PROXMIRE. But, as a matter of fact, if the wheat program is rejected in the referendum—and I have been arguing for a month that it is going to be rejected—this will not be permitted. The Secretary cannot then permit wheat to be grown outside wheat allotments.

So if the mandatory feed grains program is rejected in a referendum, the key to a successful wheat program is lost, as all wheatgrowers know and have repeatedly stated.

However, if the present successful voluntary feed grains program is extended, then it will be possible to permit wheatgrowers to grow wheat on their diverted feed grain acreage.

In view of the likelihood that a mandatory feed grains program will be defeated in a referendum, wheatgrowers should recognize that it will be far less risky to extend the present voluntary feed grains program.

I want to emphasize that, while I have been opposing the Ellender amendment, I recognize that the Senator from

Louisiana is not only able, energetic, and hard working, but that he is taking a position which is always difficult. Anybody who proposes a constructive farm program is "shot at." I would like to say that, in the general principles he is following, he is right. I think we are going to have to have supply management for feed grains and milk, but I think we ought to design a program which will work and get an affirmative vote. I think once we provide such a program for dairy and it is successful, then such food grain acreage which is entirely consumed on the dairy farm can be exempted. This will help get an affirmative vote.

The second amendment I have, provides for simultaneous referendums on all farm programs, so they would be voted on together, so that it would be impossible for a cotton farmer to vote "yes" on a cotton program and "no" on a feed grains program. Under those circumstances, we might have a far better chance of getting an affirmative vote.

It seems to me both these proposals will go a long way toward making it possible to see that the feed grains farmer, the dairy farmer, the beef farmer, and the hog farmer will be benefited and that there will not be a collapse of markets, which I think will ensue if the Ellender amendment is adopted, because the referendum will not be approved.

#### MILWAUKEE JOURNAL PRAISES LAND USE ADJUSTMENT

Mr. President, in conclusion I ask unanimous consent that an article which appeared a few weeks ago in the Milwaukee Journal be printed at this point in the RECORD. Written by the Journal's able out-of-doors writer, Mel Ellis, the article praises the land use proposals contemplated in title I of the pending farm bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### FARMERS CAN HELP NATION'S SPORTSMEN— AGRICULTURAL GROUP ASKS THEM TO CO- OPERATE BY HELPING PROVIDE FACILITIES (By Mel Ellis)

Farmers across the Nation are neglecting a major crop. While they harvest more food and fiber than we can use at home and abroad, they overlook an outdoor-hungry crowd which is ready and willing to pay for fresh air, sunshine, and relaxation.

How many thousands of potential farm ponds await only an assist from the bulldozer and the dragline? How many thousands of acres of woodlands need but picnic benches and outdoor fireplaces to make them recreational havens? Marginal lands which would support game with proper habitat management lay neglected. Streams which could support trout and warm water fish need only an assist to make them productive.

#### AMONG TOP NEEDS

Adequate outdoor recreational facilities are among our most crying needs. Public lands can't begin to absorb the throngs looking for a place to play. The farmer is in a position to meet the public's demand.

This is no supposition of some wildlife agency, but a conclusion of the U.S. Department of Agriculture. In what surely is a surprise about-face, this division of Government has forgotten for the moment to push

for record crop yields, more drainage, etc., and issued a pamphlet urging farmers to make outdoor recreation a "major product of American farms."

The pamphlet reads, in part: "Even in 1980, our farms will be able to produce all we need on about 50 million fewer acres than are available for crop use today."

"Why not use these acres for products we do need—more new areas for picnicking, camping, and hiking, and more wildlife and fish, more water for fishing, swimming, boating, and hunting?"

#### SEVERAL LEAD WAY

Some farmers have been in the business of selling outdoor recreation. In West Virginia 157 farmers offer hunting and fishing in exchange for room and board. In many Southern States farm ponds are fished regularly for a fee. Ranchers in the West conduct hunting parties across their acres after the summer season. Some farmers in the North have installed ski tows and opened hills to skiers. Others, with lake property, have provided access and improved swimming beaches.

"The increased leisure time," according to President Kennedy, "enjoyed by our growing population and the greater mobility made possible by improved highway networks have dramatically increased the Nation's need for additional recreational areas."

And the farmer, the man who owns three-fourths of the Nation's surface, is in a position to meet this need.

Mr. CARLSON. Mr. President, the discussion today seems to center around the proposed feed grains legislation. Really, there is a wheat amendment pending before the Senate, but I also have an interest in the feed grains amendment, and I wish to discuss it rather briefly.

I wish to say most sincerely that it is difficult for me to oppose the views of our distinguished chairman, the Senator from Louisiana (Mr. ELLENDER). I know of no one who is more dedicated to working out a farm program, who gives more of his time, who is more familiar with the subject, than the Senator from Louisiana.

I am concerned, as was mentioned by the Senator from Wisconsin, about an affirmative vote on a program which I do not believe the farmers of Kansas will accept. I say that for two or three reasons.

First, the voluntary program is working satisfactorily. The 1961 program resulted in the first reduction in feed grain stocks in 9 years. With average weather the reduction in stocks will be even greater this year.

Second, farmers like this program. Participation and the acreage diverted from feed grain production will be higher this year than last.

Latest reports indicate that 59 percent of the feed grain producers in my State of Kansas are now participating in this voluntary program. The participating farms account for 67 percent of the corn base acres in Kansas and 71 percent of the grain sorghum base acres.

Last year, on an acreage basis the participation was even higher. The participating farms accounted for 73 percent of the corn and 83 percent of the grain sorghum base acres.

With a continuation of this voluntary program we can confidently look for-

ward to reducing our stocks to desirable levels in another 2 or 3 years.

Mr. ELLENDER. Mr. President, will my friend yield for a question?

Mr. CARLSON. I am glad to yield.

Mr. ELLENDER. I point out to my good friend from Kansas that if the proposal I have submitted is agreed to there will be, for the next 3 years, the same program the Senator now says is a good program. The only difference would be that the program would apply to all farmers. In other words, farmers would receive virtually the same income, and they would be paid for diverted acres. It would be almost the same program as that we now have.

I wish to say also to my good friend that under the amendment we would have a permanent program, and we would not return to that part of the present program which permits the planting of all feed grains a farmer desires and the getting of price supports without any controls.

Mr. CARLSON. As usual, our distinguished chairman knows what he is talking about. I think he is absolutely correct on a program.

However, this enters into a situation in respect to which the individual farmers in my State and in other States have grave concern. Some farmers have not gone into the program. There have been farmers in Kansas and in other States who have not participated. Even though the Commodity Credit Corporation forced out grains on the market, to keep prices lower, those farmers made more money than the folks who went into the program. The farmers are concerned about a mandatory program. That is why I think it would be a mistake to do what is proposed.

We have had unusually favorable weather for the past 4 years. The weather in 1961 was perhaps the most favorable for any year on record for feed grain production. It is unlikely that such favorable weather will be repeated soon. If weather is only average, the real Government costs of continuing the voluntary program will be much lower than they were in 1961 because stocks will be drawn down more rapidly. Also, fewer bushels from the current crop will be placed under price support loans if per acre yields are lower.

In view of these considerations, and in view of the evidence presented indicating the probable failure of a feed grains marketing quota referendum, I believe we should continue the voluntary program for another year or two.

I believe I know the feelings of the farmers of Kansas. I have visited with many of them. My mail indicates they will not vote for a program of the type proposed.

I share the view of the Senator from Wisconsin [Mr. PROXMIRE] that it would be disastrous if we did not have some price support program. It not only would be an economic disaster for the farmers, but also would have a serious effect on our Nation. It would have such an effect on our Nation at a time when we are experiencing a recession. I do not believe we can afford to tinker

further with the economic machinery of this Nation. I think we face some real difficulties.

But, Mr. President, I have another important reason for wanting to see the voluntary feed grain program continued rather than shifting to a mandatory program.

Although Kansas is an important feed grain producing State, it is an even more important wheat producing State. For this reason I am perhaps more interested in the sections of S. 3225 dealing with wheat than I am with those dealing with feed grains. But these two programs are interlocked in such a way that one cannot succeed if the other fails. This is especially true of the provisions for the substitution of wheat acreage for feed grain acreage.

James Dyess, executive vice president of the National Association of Wheat Growers, in his May 18 letter to his members, comments on the amendments to be offered to S. 3225 by the distinguished chairman of the Committee on Agriculture and Forestry. He says:

The feed grain amendment also contains the substitution clause permitting wheat to be grown on feed grain acres, or feed grain to be grown on wheat acres. This is the key to a successful wheat program.

The real purpose of my taking the floor this afternoon is to warn my fellow Senators who are primarily interested in the wheat sections of S. 3225 that if a mandatory feed grain program is substituted for the voluntary program and the referendum fails, they will have lost "the key to a successful wheat program."

If a feed grain referendum fails, it appears most unlikely to me that the Secretary of Agriculture would permit the planting of wheat for livestock feed outside the wheat acreage allotments. I do not believe that Corn Belt farmers would accede to such an interpretation of the authorizing section in the proposed amendment if they were receiving only 50 percent of parity price supports.

I personally am supporting a continuation of the voluntary feed grain program because I think it will be best for both the feed grain and for the wheat producers. By adding a simple authorization, any wheat produced who also is a feed grain producer, if he cooperates in the voluntary program and diverts at least 20 percent of his feed grain base acres to conserving uses, could be allowed by the Secretary to substitute wheat on his remaining feed grain acres.

A provision such as this would meet the needs and desires of the wheatgrowers. It also would tend to increase participation in the voluntary feed grain program. I hope that the administration's amendment providing for a mandatory feed grain program will be defeated and that a wheat acreage substitution section will be made operative in the voluntary feed grain program. I hope and believe that the Senators primarily interested in the wheat sections of S. 3225 will join me in this action.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### A PROGRAM DANGEROUS TO AGRICULTURE

Mr. BENNETT. Mr. President, I have followed the action of the Committee on Agriculture as it gave consideration to the various proposals dealing with the agricultural problem. I am sure that every member of Congress wants to be helpful in developing a program designed to help encourage and keep agriculture in a healthy economic condition.

Despite changes in relative trends, agriculture is still one of Utah's most important industries. In 1961 the cash receipts from farm marketings amounted to \$156,193,000. About \$125 million of this income from agriculture came from livestock. Utah is also an important producer of wheat. Dairying plays an important part in the income of Utah agriculture. Thus, I have a special interest in the main features of this bill.

I hope that the Senate and the House will not be stamped into hasty action with regard to agricultural legislation. I recognize that the continued pileup of surplus agricultural commodities in the hands of Commodity Credit Corporation is not in the best interest of the farmers, the taxpayers, and certainly, the Treasury of the United States; however, we should move with extreme caution and make sure we do not jump out of the frying pan into the fire. For example, I understand that it is the intention of certain of my colleagues to offer an amendment to the pending bill that would lead certainly to milk marketing quotas in another effort to direct from Washington the production of one of our most basic foods.

I hope that my colleagues will think seriously about this matter and that we will reject the imposition of these stringent controls on American dairy farmers. I know that in Utah dairy farmers unanimously disapprove compulsory cow quotas, and I am sure most dairymen throughout the country feel the same way.

With regard to wheat I recognize too that we are continuing to pile up surpluses of wheat; however, I would point out that under the basic law that is currently on the books the present Secretary must be held accountable for what happened in 1961. At that time wheat price supports were at 75 percent of parity—roughly \$1.78 a bushel. The Secretary of Agriculture, in spite of the almost 16 months' supply on hand, increased the price support to \$2 per bushel. Is it any wonder that farmers produced wheat?

Then, the Senators will recall that in 1961 the Secretary of Agriculture recommended an emergency wheat program, which was designed to pay farmers not to produce wheat. It was a program



that was destined to fail from the beginning, because we put ourselves in the position of bidding with farmers to take out land at the same time we were offering them an increased incentive price to produce.

The two choices for wheat farmers offered in this legislation now under consideration are both bad choices. Instead of starting out on another uncertain road with regard to wheat, I suggest that the Secretary of Agriculture exercise his authority under the law by reducing the Government guaranteed price support for wheat.

As to feed grains, I think we must be extremely careful as we consider this matter, because about two-thirds of our farm income is derived from livestock and livestock products. Feed grain is used to produce this income. I recognize that the bill currently under consideration as reported by the committee, S. 3225, simply extends the so-called emergency feed grain program. But again, I call to your attention the permanent provisions of law dealing with feed grains. Many of my colleagues will remember the long hours of debate on the Agricultural Act of 1958. The emergency feed grain program was superimposed on this permanent provision of the law. Again, the Secretary of Agriculture increased the price support from roughly \$1.05 a bushel for corn to \$1.20 a bushel; and at the same time we asked farmers to retire acreages of corn.

In 1961 the story is very clear. This program cost in the neighborhood of \$850 million; and Secretary of Agriculture Freeman himself now admits that we only got a net reduction of about 200 million bushels of corn. This is at a cost of more than \$4 per bushel.

The bill now before the Senate would give Washington much greater control over agriculture, and experience has shown that this is a dangerous direction in which to go. In Utah, for example, we have recently had several examples of arbitrary actions on the part of agricultural officials. The most notable case was one last year involving Under Secretary of Agriculture James T. Ralph, who was recently dismissed from the Department because of his involvement in the Billie Sol Estes case. Testimony before the Permanent Subcommittee on Investigations of the Committee on Government Operations last August revealed that Mr. Ralph had threatened reprisals against a group of Utah cattlemen who had indicated their opposition to the administration's omnibus farm bill.

The question of placing increased power in the hands of men such as Mr. Ralph will be particularly important if the Ellender amendment is approved, repealing the 1958 Act and superimposing a strict control system and high price support program. This program will involve both blackmail and bribery. It plans for giving farmers a supposedly democratic vote on whether to accept Government marketing regulations, but they really will have no voice in the matter. The program provides that if they reject the program, price supports will be lifted, and the Govern-

ment will dump surpluses on the market which, of course, would have disastrous consequences. Thus, the surpluses created by unwise Government programs in the past would be used to coerce farmers into accepting the proposals for even tighter controls over marketing and acreage.

I recommend that the Senate allow the temporary law to expire, reject the Ellender amendment, and allow the 1958 law to go into effect with regard to feed grains.

The Billie Sol Estes scandal, which has shaken the faith of many Americans in the soundness of the programs and administration of the Department of Agriculture, has caused some people to want to push the "panic button." But if there is anything to be learned from this experience, it is the danger of placing additional bureaucratic powers in the hands of those who would control agriculture. We must make sure that any legislation we pass this year will not further regiment farmers and ranchers, leading to further Government domination and low farm income.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the testimony of Robert Murphy and Howard J. Clegg, secretary and president, respectively, of the Utah Cattlemen's Association.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF ROBERT MURPHY AND HOWARD J. CLEGG

Mr. MURPHY. Bob Murphy, and I am secretary of the Utah Cattlemen's Association, Salt Lake City.

The CHAIRMAN. Very well, will you give your address for the record.

Mr. MURPHY. 1221 Newhouse Hotel.

The CHAIRMAN. Will you identify yourself for the record, please.

Mr. CLEGG. Howard Clegg, C-l-e-g-g. I am president of the Utah Cattlemen's Association, and I reside in Tooele, Utah.

Mr. O'DONNELL. Mr. Clegg, did you attend an informal meeting on the administration's farm bill in Salt Lake City on May 17, 1961?

Mr. CLEGG. Yes, sir.

Mr. O'DONNELL. Was a prominent official there, Assistant Secretary James T. Ralph of the Department of Agriculture?

Mr. CLEGG. Yes, sir.

Senator MUNDT. Who had called the meeting, Mr. Ralph or you fellows?

Mr. MURPHY. The meeting was arranged by the extension service of Utah State University, Carl Fresnick, director.

Mr. O'DONNELL. Who was present at the meeting, generally?

Mr. CLEGG. Myself, Mr. Murphy, and the president of the Utah Woolgrowers' Association, Carl Fresnick, the director of the extension service, and Jess Tuttle and John Gillman of the State ASC committee, and Glade Alread, the administrator of the State ASC.

Mr. O'DONNELL. Making a total number of approximately how many people?

Mr. CLEGG. Approximately eight people.

Mr. O'DONNELL. This meeting was in the evening?

Mr. CLEGG. No, it was starting in the morning and then they had some other appointments and then it was reconvened in the afternoon.

Mr. O'DONNELL. Were any minutes made of the meeting, was any recording taken?

Mr. CLEGG. No, sir.

Mr. O'DONNELL. Were any notes made?

Mr. CLEGG. Not to my knowledge.

Mr. O'DONNELL. Then there is no record of the meeting as such?

Mr. CLEGG. Only our recollections.

Mr. O'DONNELL. Now what to your recollection was stated by Mr. Ralph which would indicate that he might take, or means might be taken by the Agriculture Department, as a reprisal against the cattlemen?

Mr. CLEGG. I wrote an editorial for a cattlemen's association magazine, and this was written the following day, and I wrote, to my recollection, what was stated in the meeting for the magazine—that is, the next day following the meeting.

The CHAIRMAN. As I understand it now, the next day after the meeting, at which he made statements, you wrote an editorial for the cattlemen's association paper?

Mr. CLEGG. Yes, sir; and I have what I wrote here but it wasn't published.

The CHAIRMAN. It was not published?

Mr. CLEGG. Yes, sir. We decided that it might be political and might be interpreted by the membership of the cattlemen's association as a political move, so that on the advice of other members we didn't put it in the publication.

The CHAIRMAN. Do you have what you wrote at that time?

Mr. CLEGG. Yes, sir.

The CHAIRMAN. You wrote that the next day?

Mr. CLEGG. Yes, sir.

The CHAIRMAN. The incident and what had occurred was fresh in your mind?

Mr. CLEGG. Yes, sir.

The CHAIRMAN. Did you undertake truthfully to record therein in a general way, or whatever comments you made, what had occurred?

Mr. CLEGG. Yes, sir; truthful as I could.

Senator MUNDT. Have you read that?

Mr. MURPHY. I am the editor, and it was at my intervention that I and other members of the association decided it would be better not to publish it at this time.

Senator MUNDT. You have read it?

Mr. MURPHY. Yes, sir; I have.

Senator MUNDT. My question was, having sat in at the meeting and having read the editorial, did the editorial faithfully reflect what took place at the meeting as you remember it?

Mr. MURPHY. I believe it does to the best of my recollection; the statements in general relayed the tempo and the feeling of the statements that were made to us by Mr. Ralph.

Senator MUNDT. The reason you did not publish it was not that it was not factual, but because you felt it might be considered political by some of your members?

Mr. MURPHY. That is exactly right and that was the purpose of our not having it in the magazine at that time.

Senator MUNDT. How soon after it was written did you first read the statement?

Mr. MURPHY. I had it in our office the following day, after I got it in the office the evening after the meeting was held in Salt Lake, on May 17, and that would make it on May 18.

Senator MUNDT. The next day, and he said he wrote it the next day.

Mr. MURPHY. The following day after that I received it.

Senator MUNDT. The evening of the day following the meeting?

Mr. MURPHY. That would be on May 19.

Senator MUNDT. So your memory was fresh, then, when you read it as to what had occurred?

Mr. CLEGG. I wrote it the following day but before I got it into the magazine, it is dated May 22, so it was within 3 or 4 days that it was sent in to him.

The CHAIRMAN. In other words, you wrote it and it was sent in to him, some 2 or 3 days after.

Mr. CLEGG. Yes, sir.

The CHAIRMAN. But anyway, it was very shortly after the incident occurred, and the article was written that you first read it?

Mr. MURPHY. That is right.

The CHAIRMAN. Did you find anything in it at that time, when your memory was fresh about it, that you would want to correct or modify or change as to what the facts were?

Mr. MURPHY. No.

The CHAIRMAN. Very well.

Senator MUNDT. I suggest the witness read the editorial, Mr. Chairman.

The CHAIRMAN. The whole editorial may be printed in the record at this point.

(The editorial referred to is as follows:)

UTAH CATTLEMEN'S ASSOCIATION,  
Salt Lake City, Utah, May 22, 1961.

DEAR FELLOW CATTLEMEN: A timely subject for this month's letter is this so-called "omnibus" farm bill, H.R. 6400 and S. 1643. I have attempted to acquaint myself by reading the bill, by studying a digest of it written by DON L. SHORT, a cattleman Representative to Congress, by studying the American National Association's statements regarding it, and through conferring with Assistant Secretary of Agriculture James T. Ralph. Assistant Secretary Ralph was in Salt Lake May 17 and spent 1½ hours discussing the bill and its effects on livestock with Mr. Welby Aagard, of the Utah Woolgrowers' Association, Bob Murphy, and myself of our association.

The bill is long and complicated and is subject to wide interpretation by different groups. The ANCA has appeared before both the House and Senate Agriculture Committees and asked that the cattle industry be exempted from coverage by the bill. They also made a few other specific objections. The ANCA expressed considerable concern that the bill would give increased power to the Government to control the numbers and marketing of cattle. Mr. Ralph states that the ANCA is completely wrong in this interpretation and that the bill is intended as implementing legislation for each commodity group to take the action that they may desire to control the production and marketing of their product. One of the provisions of the act requires a national referendum of bona fide producers before any commodity program can be put into effect. The ANCA objected to the method of selection of the national farm advisory committees. The bill states that the county ASC committees will nominate two-thirds of the committee and that the other one-third will be nominated by the farm organizations. Since cattlemen have not had a major interest in the ASC program, it is not felt that they are properly represented on the county committees. Mr. Ralph contended that this could be taken care of by amendment to the bill to insure proper industry representation.

Mr. Ralph contends that the cattle industry is the only major commodity group that has not been able to produce considerably beyond the amount that consumers are willing to buy at a reasonable price. Also, he states that cattle numbers have been held in check by the slow increase rate and by the low prices during the high-production phase of the cycle. He states that cattlemen have been content to take the low prices because they know that they could make it back on the high side of the cycle. He believes that in the future there may not be much of a high side due to the tremendous increases in imports. My personal feeling on the matter of future cattle numbers is that we have a greater potential for increase than we are recognizing. It is my feeling that the increased demand for lighter weight animals with less waste fat and the sharp price reduction of yearling feeders compared with calves will liquidate the yearling phase of our cattle business. The range, pasture, and supplementary feed used by these yearlings is going to be used for cow and calf operations. With the large feed

supply produced by our farmers, this change could bring about a much greater beef supply than we have been considering.

After considerable discussion and disagreement on the various parts of the farm bill the question was asked regarding the attitude of the new administration toward the cuts of livestock usage on the national forests. Mr. Ralph answered that if the cattlemen insist on being free enterprisers that he would be in favor of removing all livestock from the public ranges. He further stated that he would welcome all of the beef imports that South America, New Zealand, and Australia care to send until the cattlemen get all the free enterprise they want. He had previously explained that there was a difference between free enterprise and private enterprise and that it was private enterprise that this administration was interested in maintaining.

The vindictive attitude of Mr. Ralph was a considerable shock to me. There was a dinner and a large meeting in the evening, attended by many of the agricultural and political leaders of the State. Mr. Ralph needed the cattlemen present several times for being "rugged individualists" and "free enterprisers."

Mr. Ralph claims that the only organized opposition to the bill is from the American Farm Bureau Federation and the American National Cattlemen's Association. He claims that the Farm Bureau is against it because it uses the commodity approach and as such violates a basic principle of the Farm Bureau—the claim that the Bureau should represent all of agriculture. Mr. Ralph holds that the opposition of the AFBF and ANCA could not stop this legislation, but that the undercover opposition by the retail grocery and packing industries might stop it.

Many sections of the bill such as the extension and amendment of Public Law 480, the extension of the Wool Act, and the revision of the agricultural credit program, etc., are receiving considerable support from most of agriculture.

Since many of the proposals in the bill are new, this association has no directions from the membership to follow. No formal action regarding this bill has been nor will be taken by this association at this time. The new administration's attitude is that now is the time for some far-reaching legislation to put agriculture on an even basis with other large industries in bargaining power and production control. With an inevitable continued decline in the agricultural population this is undoubtedly true.

The intent of my comments has not been to take sides either for or against this legislation. My personal feeling is that some is good and some is questionable. I suggest that each of you contact our congressional delegation and inform them of your feelings regarding this legislation.

Yours very truly,

HOWARD CLEGG.

The CHAIRMAN. Now if you care to read excerpts from it, you may do that.

Mr. CLEGG (reading):

"After considerable discussion and disagreement on the various parts of the farm bill, the question was asked regarding the attitude of the new administration toward the cuts of livestock usage on the national forests. Mr. Ralph answered that if the cattlemen insist on being free enterprisers that he would be in favor of removing all livestock from the public ranges. He further stated that he would welcome all of the beef imports South America, New Zealand, and Australia care to send until the cattlemen get all of the free enterprise they want. He had previously explained that there was a difference between free enterprise and private enterprise and that it was private enterprise that this administration was interested in maintaining.

"The vindictive attitude of Mr. Ralph was a considerable shock to me, and there

was a dinner and a large meeting in the evening attended by many of the agricultural and political leaders of the State. Mr. Ralph needed the cattlemen present several times for being rugged individualists and free enterprisers."

The CHAIRMAN. He did what several times?

Mr. CLEGG. Needed.

The CHAIRMAN. His attitude was kind of needling them because they wanted to be independent and self-reliant, and free enterprise people?

Mr. CLEGG. Yes, sir. We were the only two cattlemen there, at the dinner they had, a dinner for leaders, and everybody was introduced, and he called their attention to the fact that we were free enterprisers at that time.

The CHAIRMAN. Singled you out?

Mr. CLEGG. Singled us out.

The CHAIRMAN. What other groups were introduced that he didn't call free enterprisers?

Mr. CLEGG. All of the other groups.

The CHAIRMAN. Name some of them.

Mr. CLEGG. The milk federation and the Farmers Union and the Farm Bureau.

Mr. MURPHY. There were members of various granges there.

The CHAIRMAN. He introduced the representatives of them without such reference to them?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. When he got to you two, he singled you out?

Mr. MURPHY. Yes, he did.

The CHAIRMAN. And he identified you as free enterprisers?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. He did it in a complimentary way, did he?

Mr. CLEGG. It wasn't interpreted as a compliment by the rest of the group.

The CHAIRMAN. It was not so interpreted, and it apparently was not intended to be so?

Mr. CLEGG. It wasn't intended; no, sir.

The CHAIRMAN. Did you feel any embarrassment by being thus singled out in that situation?

Mr. MURPHY. The word is "indignation."

The CHAIRMAN. You were not embarrassed as much as you were indignant?

Mr. MURPHY. That is right.

The CHAIRMAN. All right.

Senator MUNDT. Have you read all of the pertinent parts of the editorial now?

Mr. CLEGG. There are several other parts of it. I think this is all that is pertinent to the inquiry here. The rest of the article talks about the farm bill, but that was the only place.

Senator MUNDT. The whole editorial has been made a part of the record. You have a newspaper clipping. Was that involved in this?

Mr. MURPHY. The newspaper clipping is not a part of this editorial. The newspaper clipping in front of me is taken from the Deseret News, Salt Lake City, Thursday, June 29.

The CHAIRMAN. What does it refer to?

Mr. MURPHY. If you don't mind, I would like to read a very small portion of it to you.

The CHAIRMAN. The whole thing may be submitted for the record and you may read excerpts from it.

Will you submit it for the record?

(The editorial referred to is as follows:)

"[From the Deseret News, Salt Lake City, Utah, June 29, 1961]

"ARE FARMERS BEING THREATENED?"

"A prompt and thorough investigation should be made into reports, which vary from rumors to outright charges, that Agriculture Department officials have threatened reprisals against farm groups that do not support the Kennedy-Freeman farm bill.

"In Utah, private reports have it that a high Agriculture Department official indicated to a cattleman's group that grazing



rights on Federal land might be in jeopardy if stockmen fail to support the bill. If true, this is about the same as making a threat on a merchant's business license.

"Similar charges are being made elsewhere in the Nation, the New York Herald Tribune and the Chicago Daily Tribune have said the charges include:

"That cotton warehouse operators were warned that the Agriculture Department would ignore their request for higher cotton storage rates if they opposed the farm bill. However, the group went through with its plan to testify against it.

"That Agriculture Department personnel have been ordered to sell the program or resign.

"That the poultry industry was told its products would be removed from school lunch program menus if it did not support the legislation.

"The Chicago Tribune also quoted Charles B. Shuman, president of the American Farm Bureau Federation, as saying he has heard of reports of similar threats for several weeks.

"The sheer number of these charges, as well as their seriousness, amount to a lot of smoke that could indicate the presence of a fire. Certainly they warrant more than just routine denial that was forthcoming from the Department of Agriculture.

"These accusations are lent at least a degree of credence by the fact that the Kennedy-Freeman farm bill is encountering extremely tough sledding in Congress. The bill would authorize farmers themselves to draft and adopt a new series of crop-by-crop farm marketing control programs that, in the bill's original form, would have been subject only to congressional veto. In an attempt to make the measure more politically palatable, it has been revised to give Congress a bigger voice in formulation of such marketing programs. But the economics of the proposal are still hard to swallow.

"In any event, the facts should be investigated. There is a line where pressure that is justifiable leaves off and outright blackmail begins. Congressional investigators should determine whether that line has been crossed.

"If it has been crossed, or even if the rumors and accusations are allowed to persist unchallenged, then the Department of Agriculture's reputation and the morale of the agriculture industry are sure to suffer.

"If true, the alleged threats could represent vicious abuse of authority not in the American tradition of fairplay.

"If false, the charges are an unfair attack on the Agriculture Department and should be laid to rest once and for all.

"Whatever the case, the farm bill should be passed or defeated strictly on its merits. The objectivity that is needed for intelligent congressional discussion of the bill will be hard to obtain as long as the issue is obscured by threats or suspicions of threats."

Senator MUNDT. When was this? How long after it was taken?

Mr. MURPHY. This was published in the Deseret News on June 29.

Mr. CLEGG. We didn't pick any issue of this and we were not anxious to be interpreted as making a political issue, and they called us every day and asked us to tell what happened and we never did, either one of us, and so that the information that they have did not come from us.

The CHAIRMAN. What did they publish?

Mr. CLEGG. A prompt and thorough investigation should be made into reports which vary from rumors to outright charges, that Agriculture Department officials have threatened reprisals against farm groups that do not support the Kennedy-Freeman farm bill. In Utah, private reports of it that a high Agriculture Department official indicated to a cattlemen's group, that grazing rights on Federal land might be in jeopardy if stockmen failed to support the bill. If true,

this is about the same as making a threat on a merchant's business license; similar charges have been made elsewhere in the Nation.

Senator MUNDT. They got their information from some of the other people who attended the meeting, rather than from you?

Mr. MURPHY. This information, as near as I have been able to determine, has come back to the Deseret News directly from Washington.

The CHAIRMAN. You mean it probably came from news reporters?

Mr. MURPHY. Here in Washington, back to their news reporting service, by way of memos through their organization.

The CHAIRMAN. Were newsmen present at this meeting?

Mr. MURPHY. There were not.

The CHAIRMAN. No newsmen were present?

Mr. MURPHY. No, the secretary of the association should have been keeping notes, but this was an informal meeting.

The CHAIRMAN. The secretary of what association?

Mr. MURPHY. The Utah Cattlemen's Association.

The CHAIRMAN. He was keeping notes?

Mr. MURPHY. He should have been, but I didn't. We didn't take notes of any kind.

The CHAIRMAN. You didn't keep notes?

Mr. MURPHY. No, I did not.

The CHAIRMAN. How would newsmen here in Washington know something about it to report to this paper out there?

Mr. MURPHY. It is quite possible through the chain of events that followed the meeting that was held in Salt Lake City.

The CHAIRMAN. What chain of events?

Mr. MURPHY. The events that happened elsewhere in the country.

The CHAIRMAN. You mean some other comment about these things. I don't see how they could know what happened there, though, and report it if they were not there.

Mr. MURPHY. This is just a newspaperman's snooping around and finding out what is going on.

Mr. CLEGG. I think, actually, the comments to the paper must have come through the Farm Bureau, and we did talk to them that night. The Farm Bureau was at the same meeting that he singled us out and they asked us what was the trouble.

Senator MUNDT. This was not an off-the-record meeting and your fellows who were indignant very logically would have communicated to some of our associates as to what took place at the Ralph meeting, wouldn't you?

Mr. CLEGG. That is right.

Senator MUNDT. There was no security secrecy involved, and you certainly told someone what took place, and from them the newspapermen could very readily have picked up the information.

Mr. MURPHY. That is exactly correct.

The CHAIRMAN. I don't see how they would get it out in Washington.

Mr. MURPHY. That is where their memo came from, right through their top end of their newspaper business.

The CHAIRMAN. Here in Washington?

Mr. MURPHY. Apparently, that is as near as I have been able to check it out.

The CHAIRMAN. But they got it?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. They didn't get it directly from either of you?

Mr. MURPHY. No; and it was a difficult task to hold this off and keep out of the newspapers as long as we did.

The CHAIRMAN. Why did you want to keep it out?

Mr. MURPHY. We felt, as we said before, that it was rather a "hot potato" political issue at that time, and we did not care to involve our association as such in a political controversy since we represent the cattlemen of Utah who are of all political philosophies.

The CHAIRMAN. All right. Is there anything further?

Mr. O'DONNELL. I have one thing. I have here an affidavit which I would like to have each of you identify because it is submitted jointly and I would like to ask a question concerning it.

The CHAIRMAN. Is that your original affidavit that you submitted to the committee?

Mr. MURPHY. Yes, sir.

Mr. CLEGG. Yes, sir.

The CHAIRMAN. The affidavit will be printed in full in the record.

(The affidavit referred to is as follows:)

UTAH CATTLEMEN'S ASSOCIATION,  
Salt Lake City, Utah, June 16, 1961.

Mr. DONALD O'DONNELL,  
Chief Counsel, Senate Committee on Investigations, Senate Office Building, Washington, D.C.

Mr. O'DONNELL: The undersigned wish to submit the following information in connection with certain statements that were made to us during an informal discussion with Under Secretary of Agriculture James T. Ralph while he was visiting in Salt Lake City on May 17. We wish to point out that since this was an informal discussion, no notes or recording of the conversation are available. We have recalled, to the best of our ability, what, in our opinion, is the essence of Mr. Ralph's statement when asked a question regarding the new administration's attitude toward reduction of livestock usage of the grazing on the national forests.

Mr. Ralph answered that as the cattlemen insist on being free enterprisers that he would favor removal of all grazing privileges on the national land reserve and further would welcome all beef imports from South America, New Zealand, and Australia until the cattlemen get all the free enterprise they want.

It is a matter of record that the American National Cattlemen's Association has diligently represented the cattle industry in hearings before congressional committees in an effort to follow the wishes of the industry to maintain their position of remaining free of Government control and regulation. This free enterprise stand of the cattle industry has long been a matter of pride with the industry. It was shocking to us to learn of the administration's apparent policy to take reprisals against any group that would take an opposing stand on the omnibus farm bill.

We believe this matter is a serious threat on our freedom to express our views. We bring it to your attention with the feeling that our opinion of what was said will be given your consideration.

HOWARD J. CLEGG,  
President.

BOB MURPHY,  
Secretary.

STATE OF UTAH  
County of Salt Lake, ss:

Subscribed and sworn to before me this 16th day of June 1961.

JEANNETTE C. DAY,  
Notary Public.

My commission expires March 19, 1961.

Mr. O'DONNELL. The second last paragraph of that affidavit, you state in the last sentence, that—

"It was shocking to us to learn of the administration's apparent policy to take reprisals against any group that would take an opposing stand on the omnibus farm bill."

Is that correct?

Mr. MURPHY. Yes.

Mr. O'DONNELL. Were these statements that were made by Ralph directed to you, insofar as testimony in connection with the farm bill was concerned?

Mr. MURPHY. If I may speak, I interpret Mr. Ralph's statements to us in front of the State ASC committee, this afternoon meeting, prior to the banquet, at which time we were called together to meet with Secretary Ralph and to discuss the administration's farm program, the principal topic of our discussion at that time was the various aspects

of this bill as related to the livestock industry, specifically.

The CHAIRMAN. That was the whole purpose of the meeting, to discuss the bill, was it not?

Mr. MURPHY. That is right. Interpreting the remarks that were made at the meeting in the afternoon, together with the indignation that was caused by Mr. Ralph King's singling Howard and me out of a group of 180 or 200 people as free enterprisers, it was pretty obvious to Howard and me that this is an infringement on our basic rights to oppose legislation that we do not feel is of benefit to our people.

Mr. O'DONNELL. But the point I am making is that apart from reprisals of pressures that may have been brought by the Department of Agriculture, in connection with the farm legislation, was anything directed specifically to your attention, either one of you, as to testifying against the proposed farm legislation? Was any reprisal made in that vein?

Mr. CLEGG. I would say not. It wasn't directly made like you mentioned.

Mr. MURPHY. Not specifically, no. In general, I would say that the implications were there.

The CHAIRMAN. There is an implication if you folks opposed the bill these privileges would be taken away.

Mr. MURPHY. The tariff embargo on dressed meat coming into this country.

The CHAIRMAN. And you could have a lot of competition.

Mr. MURPHY. From imported beef and from the use of national land reserves, for grazing of beef animals.

The CHAIRMAN. That was the implication of it.

Mr. MURPHY. That is correct.

Senator MUNDT. You say in your affidavit: "We believe this matter is a serious threat on our freedom to express our views." You made that statement on June 16, 1961. Today, do you still hold to that position?

Mr. MURPHY. I am sorry. I don't understand your question.

Senator MUNDT. You said in your affidavit dated June 16, at the bottom, the last paragraph:

"We believe that this matter is a serious threat on our freedom to express our views." That was obviously your opinion at that time. Do you still hold to that opinion as of today?

Mr. MURPHY. I feel it is, personally.

Senator MUNDT. How about your companion?

Mr. CLEGG. Inasmuch as we have said that he didn't make a direct threat, I would have to probably back down on that a little bit, and say that I question whether that is a statement of policy at this time.

Senator MUNDT. Would you say that again. I don't quite understand you.

Mr. CLEGG. I would have to say that I don't consider that there was a serious threat to our freedom at this time.

Senator MUNDT. Did you consider it a serious threat at the time you heard the statement made?

Mr. CLEGG. I was irritated at that time, yes, and I did at the time we had the meeting and I was irritated, but I can't say that at this time that I hold any malice toward them.

Senator MUNDT. That is not holding malice, and I wondered whether you signed the affidavit on June 16.

Mr. CLEGG. Yes, sir; I signed it.

Senator MUNDT. And that reflected your feeling at that time?

Mr. CLEGG. Yes, sir.

Senator MUNDT. All right.

The CHAIRMAN. Is there anything further? Thank you, gentlemen.

Mr. MURPHY. I would like to express my thanks for our opportunity to express our views in this matter and I think it is of

vital importance to our industry that we be heard and we appreciate it.

The CHAIRMAN. All this committee is interested in doing is finding out the truth if we can. We have had problems of people making statements and then saying that they were misunderstood and so forth. It is pretty hard to get possibly the whole facts. That is all we are trying to do. Obviously, some statements were made that got out into the press and got folks all exercised, and then when we try to trace them down and find out who is responsible, we have difficulty doing it. That is all we are trying to do, just to get this record and get the truth into the record.

Mr. MURPHY. We feel it was an unfortunate circumstance, and certainly it merits your consideration.

The CHAIRMAN. Thank you, gentlemen.

Mr. McCARTHY. Mr. President, the debate on the farm bill has raised many questions. In evaluating them I believe we must keep in mind the record and the experience with farm programs over the past 30 years.

I wish to commend to the Members of the Senate an article by Dr. Gilbert C. Fite, research professor, university of Oklahoma, "American Farm Policy Since 1933."

This article is based on a lecture Dr. Fite gave last year at Concordia College, one of the excellent liberal arts colleges in Minnesota, and it appeared in the spring issue of *Discourse*, a quarterly review published at Concordia College under the editorship of Dr. Walther G. Prausnitz.

Mr. President, I ask unanimous consent that the article by Dr. Fite be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A QUARTER-CENTURY OF POLITICAL AND ECONOMIC FRUSTRATION: AMERICAN FARM POLICY SINCE 1933

(By Gilbert C. Fite)

No domestic question has been so constantly before the American people during the last quarter century as the farm problem. It has been impossible for any literate person to avoid this issue. The agricultural press, country weeklies, metropolitan dailies, and the national magazines, all have dealt in one way or another with this vital issue. Just to trace the literature and ideas devoted to the thorny farm question would take more volumes than Gibbon used to write "The History of the Decline and Fall of the Roman Empire." Certainly, there is no comparable domestic problem which has received equal attention by scholars, statesmen and ordinary citizens, and yet which seems further from a satisfactory and acceptable solution after more than 25 years. Despite the plans tried and others proposed, one is reminded of the story of a foreign diplomat who came to the United States in the 1920's and was offered a drink of grape juice. He remarked: "It looks good. It tastes good, but does it accomplish anything?"

What we know today as the farm problem is really a multitude of related problems. Moreover, if it is any consolation, it should be emphasized that the questions involved are nearly as old as American history itself. Virginia and Maryland planters sought to cut tobacco output in the 17th century as a means of reducing production and raising prices. Despite their failure, the action of 17th-century tobacco growers makes it clear that farmers recognized surpluses as the heart of their problem.

Throughout the late 19th century, the relationship between the supply of farm com-

modities and prices received was clearly apparent. Contemporaries recognized that big crops usually meant low prices, and that smaller output often brought farmers more actual money than bountiful harvests. However, farmers themselves seldom admitted that they produced a surplus and argued that so long as millions of people throughout the world did not have enough to eat there could not be too much food. Most of the farm groups, including the Populists, declared that monopoly control and expansion of the currency would solve their main economic difficulties.

As agriculture became more highly commercialized, the question of price assumed commanding importance. It makes little difference whether wheat brings 30 cents or \$3 a bushel so long as a farmer makes his own flour. Whatever the price, it provides the same amount of food. But when a farmer sells his wheat and buys bread, machinery, and other commodities the relation of the price of wheat to the prices of nonfarm products is of utmost importance. Thus it is not surprising that attempts to cut surplus production were first made among the most highly commercialized farmers of 17th century America, namely, the Tidewater tobacco planters. Moreover, it was the most highly specialized and commercialized farmers in the late 19th and early 20th century who made the loudest demands for government aid. Increased commercialism of all aspects of American agriculture, the thrusting of farmers more deeply into an exchange economy, has been at the heart of farm problems.

It was not until the 1920's that farmers began to demand Government intervention on a broad scale for the purpose of raising agricultural prices. Senator George Norris suggested in 1921 that the Federal Government loan money to needy nations abroad so they could buy American surpluses and stimulate farm markets. Many other schemes which involved Government action were also proposed, including outright price fixing. However, the most popular plan was advanced by the Illinois farm machine executive, George N. Peek. Peek's ideas of surplus control were incorporated in the twice-vetoed McNary-Haugen bill which was before Congress in various forms almost constantly between 1924 and 1928.

The protracted and bitter fight over the McNary-Haugen legislation was of utmost importance in developing broad Federal farm policy. The most significant contribution of Peek and his followers was planting and nurturing the idea of parity prices, a concept which has formed the basis of all price support legislation since 1933. The McNary-Haugenites impressed upon farmers the need for compulsory cooperation if they hoped to achieve parity price. Thus by indoctrinating farmers with the idea of compulsory cooperation and group action, the McNary-Haugen campaign helped to break down the traditional individualism of farmers and assisted in ushering in the era of collective action among agriculturists. Moreover, the Federal Government was viewed as having a fundamental responsibility to help agriculture gain a larger share of the national income. The farm fight of the 1920's also pointed up the surplus question which has been periodically considered by farmers during the preceding three centuries. This in turn aroused discussion of acreage restriction as a means of cutting surpluses and raising prices. Most farmers and their spokesmen opposed any forced acreage reduction in the 1920's, but many conservatives, including Herbert Hoover, advocated voluntary decreases in production. It was only a short step from voluntary to compulsory, or near compulsory, acreage reduction which became a basic part of the AAA of 1933.

The Agricultural Marketing Act, passed in June 1929, was the first peacetime law in



the history of the United States which placed any responsibility upon the Federal Government to help farmers deal with the problems of surpluses and low prices. Congress sought to place agriculture on a basis of economic equality with other industries, a principle taken from McNary-Haugenism. The law provided financial aid to cooperatives, plus permitting the establishment of Government-financed stabilization corporations as a means of maintaining prices in the face of unusual surpluses and market declines. The new law, administered by the Federal Farm Board, began operations at a most inopportune time. Under the impact of nationwide depression, farm prices tobogganed downward and the Farm Board soon found itself in a losing struggle to maintain prices. By June 1931, the National Grain Corporation held 257 million bushels of wheat, and the Cotton Stabilization Corporation owned a great deal of cotton. Throwing up its hands in despair, the Board announced that it would make no further effort to place artificial props under farm prices.

Despite the sharp decline in prices, farmers continued to produce record crops. By 1932 wheat prices had dropped to as low as 20 cents a bushel at some interior markets and cotton to as little as 4 and 5 cents a pound. Other prices declined in similar proportion. The years 1930, 1931, and 1932 indicate that low prices do not discourage high production of farm commodities, despite all of the arguments to the contrary which have been advanced in the 1950's. As an aside, it might be pointed out that low prices may have exactly the opposite effect as they did in 1932 and 1933 before the restrictions of the Agricultural Adjustment Act were imposed. Farmer reasoning is fairly simple. If the price is lower it takes more units of a product to bring in the necessary income. Income is determined by units times price. Thus if prices are low pressure grows to raise more units in order to earn the same amount of money. When a farmer increases his output in face of lower prices, he intensifies the surplus problem and prices drop even lower. The whole picture is confused and contradictory because, while a decision to increase production may help an individual farmer, it may damage the welfare of agriculture as a whole. In other words, the welfare of farmers as a group and as individual producers is not identical. This is why it is important to obtain group action and adopt some means whereby all farmers, at least all of those producing a particular major crop, are brought together so they can make a collective decision. The McNary-Haugen bills were aimed at this problem, as was the AAA.

Under the pressure of depression prices, mounting farm debt and bankruptcy, and growing agrarian radicalism, there was widespread agreement by 1932 that extensive governmental intervention was necessary to restore farm purchasing power and attain a degree of prosperity. Although most of the ideas finally incorporated in the AAA were well developed by 1932, no legislation could be achieved because of the deadlock between a Democratic Congress and President Herbert Hoover. However, when Franklin D. Roosevelt moved into the White House, he was committed to an extensive legislative program designed to help farmers.

When President Roosevelt signed the AAA on May 12, 1933, a 12-year campaign to obtain Federal farm relief had come to an end. The objectives of the AAA were not new, only the means of achieving them. The main purpose of the law was to "establish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period." Except for tobacco, this period was 1909 to 1914.

The principal means of achieving this goal of parity prices were to reduce production of basic agricultural commodities through acreage restriction and to make benefit payments to cooperating producers. Provisions were also made for marketing agreements as a means of raising prices. Here was a great experimental measure in national planning placed under the direction of the Secretary of Agriculture. President Roosevelt, who was among the millions of Americans deeply imbued with the principles of agrarianism and agricultural fundamentalism, declared: "I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture."

The administration considered the AAA a vital part of its broad program of economic recovery. Supporters of the legislation considered it good strategy to attack the depression in the farm sector because of agriculture's importance to the economy as a whole. Moreover, the AAA program was based on an economy of scarcity which underlaid most of the early New Deal efforts to bring about recovery.

A number of Senators and Representatives supported the bill only because of the extremely critical situation in agriculture. Senator Cotton Ed Smith, of South Carolina, said he didn't like the bill, but would vote for it anyway. "There comes a time in the lives of men," he said, "when they must rise above principle." Republican Joseph Martin, of Massachusetts, complained of what he considered dictatorial powers in the bill and said: "We are on the way to Moscow." However, Democratic Representative Samuel Pettengill, of Indiana, told his colleagues in the House: "We cannot have a 'New Deal' from the President unless we give him the cards." Congress considered that the new farm law was an important card in the New Deal deck and passed the measure handily.

Secretary Wallace and AAA Administrator George N. Peek moved quickly to implement the law. By the end of 1933, 1,032,000 cottongrowers had signed contracts to reduce acreage and they plowed up 10,497,000 acres of growing cotton. Wheatgrowers signed contracts to cut their acreage in 1934 and 1935 in return for allotment benefit payments of around 28 cents a bushel. By September, Government checks were beginning to grace rural mailboxes, and by October 9 Secretary Wallace reported that the dispersing office had sent out 750,000 checks. Benefit payments to wheat raisers in 1933-34 amounted to \$98,600,000, and reached \$101,508,000 in 1934-35. This was about 26 percent of total cash income from wheat. There may have been a few southern farmers who said: "Sir, I cannot accept a U.S. grant" but under various rental and benefit payment plans, cottongrowers received \$169 million in 1933 and \$129 million in 1934. Producers of other basic commodities also received Government payments. In the late summer of 1933 a Russian visitor was being shown through a section of the AAA offices where around 1,500 people were employed. They were operating adding machines, checking farm contracts, and running checkwriting devices. As a Department employee explained what was going on, the Russian threw up his hands and exclaimed: "Good Lord! This is a revolution." And so it was.

Nothing like this had ever happened before in American history. As the Federal Government became enmeshed in the farm program, the spirit of Calvin Coolidge must have shaken the sod at Plymouth, Vt. At least it is known that Herbert Hoover was beginning to take pen in hand and explain how this was part of "The Challenge to Liberty."

What were the arguments to justify such extensive Federal action behalf of agriculture? What reasons were given for inter-

ference with free market prices as determined by supply and demand? Answers to these questions must be given before the rationalization behind Government intervention in the agricultural sector of the economy since 1933 can be understood.

In the first place, it was argued that farming was highly competitive while business and industry had greatly reduced competition by combining and cooperating. In other words, industrialists sought to gain a large measure of control over the price of their products through agreement and combination, and eliminated the downward pressures on prices which competition normally produced. For example, farm machine and motor vehicle prices dropped only between 6 and 16 percent between 1929 and 1933 while production was cut 80 percent. With no control over price or production, the prices of agricultural commodities declined 63 percent and production only 6 percent in the same period. As a result of this condition, it was argued that farmers were in a poor bargaining position with other segments of the economy. The farmer neither controlled the prices which he received for his products nor those which he paid for nonfarm goods. For example, when he sold wheat at the elevator he took prices set by someone else; when he went to buy a plow or wagon he paid a price fixed by the manufacturer. Many friends of the farmer argued in the 1920's and early 1930's that only if farmers were brought together in a great cooperative effort could they strengthen their overall bargaining position in the economy.

Moreover, it was claimed that farmers deserved Government help because so many other groups were feeding at the Federal trough. Tariffs helped manufacturers, the Government gave subsidies to shippers, the ICC permitted the railroads to charge high enough rates to bring them a fair return on investment, and newspapers and magazines were subsidized by cheap mailing rates. Since others in the economy obtained help from Washington, why should farmers be left out?

Government aid was also justified on the basis that the prosperity of farmers was basic to national welfare. Henry C. Wallace wrote in his book, "Our Debt and Duty to the Farmer" (1925), that "Our great superstructure of industry, transportation, and commerce was built upon the foundation of agriculture and can stand without injury only so long as the foundation is secure." This idea was repeated thousands of times in the 1920's and early 1930's. The stated purpose of the Agricultural Adjustment Act was to "relieve the existing national economic emergency by increasing agricultural purchasing power." Thus national self-interest alone, it was said, warranted Government aid in restoring agricultural prosperity. It was further argued that farmers represented a stabilizing political balance and that undue hardship would force otherwise conservative farmers into the ranks of un-American radicals. Of course, the immediate desperate conditions among hundreds of thousands of farmers after 1930 was also cited to justify Government aid to agriculture.

For three seasons the first AAA struggled to get on top of the farm surplus situation. Wheat, cotton, and tobacco acreages were cut and hundreds of millions of dollars were paid directly to farmers from the U.S. Treasury. A corn-hog program was inaugurated in 1933 which reduced the production of both commodities. The AAA bought and slaughtered over 8 million hogs in an effort to bring supply into line with effective demand, and the killing of the poor little pigs remained an emotional political issue through a number of campaigns.

But surpluses continued and, while prices of most farm commodities rose, they were far from parity, the defined objective of the

law. By January 1936 wheat prices were 83 percent of parity, corn 65 percent, and cotton 71 percent. Part of the difficulty in trying to achieve parity prices was the huge carryovers of wheat and cotton from the period before 1933. Some 395 million bushels of wheat and 12.5 million bales of cotton were on hand when Roosevelt took office. Furthermore, exports were low because of the depression abroad, and partly because higher American domestic prices discouraged foreign purchases. Continued unemployment and business stagnation also provided a weak domestic market for farm products. Finally, farmers tended to take their poorest land out of production which meant that acreage restriction was less effective than anticipated, and productivity of land left in cultivation was increased by adding more fertilizer. Nonetheless, by early 1935 wheat was bringing 90 cents a bushel compared to about 35 cents in 1932. This price increase, however, was caused more by drought in the Great Plains than by any Government program. Cotton was supported at around 10 cents a pound; and hog prices reached \$8.35 a hundred compared to only \$3.50 3 years earlier. Total net farm income was \$4.6 billion in 1935, of which \$600 million came directly from the Federal Government. In 1932 net farm income had been only \$1.9 billion. Farm problems were far from solved, but farmers in 1935 had their best year since 1929. Price increases and Government payments combined much more than offset the losses resulting from acreage curtailment.

Despite considerable improvement in agriculture, as well as in other aspects of the economy, new and serious problems of both a political and economic nature caused farm planners sleepless nights. Political pressures were felt in the program almost from the beginning. For example, under the original law only seven commodities were included for benefit payments. However, as time passed, additional crops were added to the list of basics, not because they were basic to American agriculture, but because they were important politically. By 1935 eight commodities, including peanuts, grain sorghums, and potatoes, had been added to the list. The political pressure which caused these crops to be included in the production control program brought even greater involvement of Government in agriculture and departed from the original idea of including only a few crops whose price was largely determined by the export market.

Furthermore, political pressure was sometimes exerted to get the Department of Agriculture to set loan rates higher than was warranted by the economic facts of the situation. In 1934, for instance, cotton loans were made at 12 cents a pound. This might have been justified for the current crop, but a provision of the law made old cotton in the hands of producers eligible for a 12-cent loan, although the loan price the year before had been only 10 cents. Farmers could make 2 cents a pound simply by restoring their cotton for another year. The longer the program operated, the more of these problems arose.

Farm planners also found that production controls led to a demand for even greater restrictions. It became evident shortly after the AAA was inaugurated that noncooperators might expand their production and benefit from higher prices created by the Government program. If contract signers curtailed acreage to stimulate prices, those outside the program would receive benefits at no expense to themselves. Consequently, Congress heeded the pleas for universal controls on cotton and tobacco producers. The Bankhead Cotton Control Act and the Kerr-Smith Act were passed in 1934. These measures placed strict penalties on those farmers who produced above their quota. The administration disliked compulsory controls but it became a vital part of the pro-

gram. Chester Davis, the AAA's second administrator, said that "Although it was an unwanted child, they learned to love it all the same."

Although by 1933 farmers felt that the old system of laissez faire in the production and marketing of farm commodities had become obsolete and inadequate, they accepted production control reluctantly and under protest. There was something repugnant to farmers in the idea of limiting output or destroying commodities such as occurred in the hog and cattle slaughter programs. The files of the Secretary of Agriculture are full of letters protesting acreage restriction and production control. One farmer wrote Wallace on May 17, 1933, that "you will have a hard task convincing the farmer that overproduction of farm produce is the cause of low prices while 8 million farmworkers are idle." Another writer said it was against all laws of economics and religion to cut down production forcibly. Several writers quoted Scripture and urged the AAA to hoard surpluses as Joseph had done in Egypt.

For a time in early 1936, it appeared as though the controversy over acreage restriction would become purely academic. On January 6, 1936, the Supreme Court declared the AAA unconstitutional because (1) the processing taxes were illegal, (2) the plan was in fact compulsory rather than voluntary, (3) and contracts to reduce production were outside the scope of Federal power. Farming was a local business and not subject to controls from Washington. The Supreme Court won the first battle, but lost the war as Congress moved quickly to patch up substitute legislation. After all, 1936 was a presidential year.

By February, Congress had passed the Soil Conservation and Domestic Allotment Act. Under this law, farmers who substituted soil-conserving crops for soil-depleting crops (the main cash crops considered in surplus) were eligible for Government payments. Thus objections of the Court were circumvented by ostensibly making conservation, a long recognized Government function, the law's major objective, rather than crop reduction. Under the new law, payments were not only made for diverting to soil-conserving crops like grass and legumes, but also for some 78 soil-building practices. This permitted farmers to earn payments who did not raise the so-called basic crops. Government help in soil conservation was based on the idea that conservation was a social good, but that it was too expensive for individual farmers to undertake. By 1938 the Federal Government was spending \$444 million annually on its conservation program.

Extremely large crops in 1937 demonstrated that the enticement offered by soil conservation diversion payments was by no means adequate to keep surpluses under control. The 1937 cotton crop amounted to 19 million bales, the largest on record. Corn production reached 2,700 million bushels and wheat output jumped 40 percent. Consequently, cotton dropped to 8 cents a pound, wheat declined to 56 cents and corn to 48 cents a bushel, the lowest since 1932. In this emergency, the President somewhat reluctantly agreed to support sagging cotton prices through the Commodity Credit Corporation in return for a promise by Congress that a new farm program, including strict production controls, would be enacted at the next session.

The AAA of 1938 which, although much amended, is still our basic agricultural law, again sought to assist farmers "to obtain, insofar as practicable, parity prices . . . and parity income." The 1936 law had sought to achieve parity incomes for farmers, probably a sounder economic goal but one extremely hard to achieve. The chief beneficiaries of the new legislation were to be producers of wheat, cotton, corn, rice, and

tobacco, the main cash crops in surplus. Acreage allotments were provided for, and in case supplies still got out of hand, marketing quotas could be imposed after two-thirds of the producers of a commodity voted favorably. Moreover, the soil conservation features of the 1936 law were continued, and Henry Wallace's ever-normal granary plan was put into operation. This scheme simply provided loans to farmers, permitting them to store their crops in order to keep large surpluses from depressing market prices. The law also authorized direct payments, so-called parity payments to raisers of basic commodities when prices fell below parity. However, these payments were only to bring returns up to 75 percent of parity in 1939 and 1940. Ultimately some \$2 billion was distributed in parity payments.

The 1938 law went much further than the original AAA in extending governmental control over agricultural production and prices. Yet, when all of these methods were used huge surpluses and relatively low prices continued. In 1938, for example, the Government loan program brought 4.5 million bales of cotton into Government storage. To intensify the cotton problem there was nearly a 14-million-bale carryover from previous years which hung like a sword of Damocles over prices. In 1939 the Government resorted to subsidies to move cotton into export markets, and in the spring of 1940, nearly 8 months after the outbreak of war in Europe, the U.S. Government held some 10.5 million bales of cotton.

The picture for wheat was no better. Although export subsidies were contrary to the New Deal reciprocal trade agreements program, President Roosevelt and Secretary Wallace turned to this method of stimulating wheat exports as well as those of cotton. The Federal Government had 278 million bushels under loan. The surplus situation had become so critical that marketing quotas were inaugurated to curb excess production for wheat, cotton, tobacco, and peanuts.

Despite extensive Government activity, parity prices for most basic commodities had not been achieved by 1940. Cotton was selling at only 77 percent of parity and food grains at 84 percent. Surpluses continued to accumulate and were not removed until 1941 and 1942. In other words, the increased demands for farm commodities created by World War II saved a farm program which was wallowing in surpluses and low prices after 6 or 7 years of Government efforts to bring supply into line with effective demand.

World War II was an important milestone in the development of current farm policy. In the first place, it gave farmers a real taste of prosperity which they subsequently have been reluctant to give up. Moreover, it was during World War II that the high, fixed parity rate not only became widely accepted but fully expected. This had not been true in the 1930's, despite inclusion of the principle in the agricultural adjustment legislation. In the 1930's parity was more of something to shoot at rather than an objective which Government would help farmers to achieve at once.

Under the influence of defense and wartime demands, farm prices shot upward until by September 1941, agricultural prices reached 101 percent of parity. However, once farmers had tasted this degree of prosperity, the pressure on Washington was to permit even greater price increases. When inflation and rising prices began to assume a real threat to the war effort, President Roosevelt called for price controls. The Emergency Price Control Act of January 30, 1942, was the first big step taken to curb prices during World War II. But farmers were strong enough politically to keep all they had gained and achieve even more. The law provided that no ceiling should be established on farm prices at less than 110 percent of



parity. This was a clear victory for agricultural spokesmen in Washington.

As food prices increased throughout 1942, there were greater demands to hold the line on prices. In October, Congress passed the Stabilization Act but even this legislation left farmers in a highly favorable position. No price ceilings could be applied to farm commodities at less than parity, or the highest price paid between January 1 and September 15, 1942. Prices of some agricultural commodities were much above parity and continued to remain high. Section 8 of the Stabilization Act of 1942 was very important because it provided for postwar agricultural supports. Fearful that they might be left holding the bag as they had been after World War I, farm leaders got a commitment that loans would be made at 90 percent of parity for 2 years after the war on cotton, corn, rice, wheat, tobacco, and peanuts. This meant that prices would be supported at 90 percent of parity through 1948.

The wartime legislation went a long way to establish the rigid parity formula which many farmers and their supporters have been demanding since 1948. The problems which this legislation might help to create in the future were given little consideration during the prosperous war years. Production was high, prices and incomes were good, and, on the whole, things had never been so favorable for farmers. Per capita farm income rose 220 percent between 1939 and 1945. As price controls were lifted in 1946 and demand both at home and abroad increased sharply, farmers were exceedingly prosperous. In 1948 net farm incomes reached more than \$20 billion, the highest point in history.

Congress took a new look at its farm program in the presidential campaign year of 1948. As finally passed in July, the 1948 law looked toward abandoning the high, fixed supports which had become customary during the war and immediate postwar years.

The idea of flexible supports provided that the price of basic commodities would be supported at between 60 and 90 percent of parity, depending upon supply. For example, if supply was as much as 130 percent of normal for a commodity, supports would be limited to 60 percent of parity. In other words, farmers were to be encouraged to cut excessive output by the threat of lower support prices. Although the principles of flexible supports were inaugurated, political pressures, particularly from cotton and tobacco representatives, postponed the effective date until January 1, 1950. Meanwhile, 90 percent of parity prices were to prevail on basic commodities.

In 1949 Congress again postponed inaugurating flexible supports and extended 90 percent of parity prices through the 1950 crop year. It seemed practically impossible to get enough backing in Congress to abandon the wartime legacy of high, fixed support prices. The pressure to change or greatly modify current policies was mitigated considerably by the continued heavy demand for farm products occasioned by overseas shipments and the Korean war. The Government, even under high price supports, was not acquiring excessive amounts of surplus farm commodities. In fact, between October 17, 1933, and December 31, 1952, the Commodity Credit Corporation losses amounted to only \$1,064 million.

Nonetheless, there was a growing demand, even among some farm groups, to abandon high rigid supports and adopt the flexible scale which had been talked about since 1948. The chief advocate of this policy was President Eisenhower's Secretary of Agriculture, Ezra Taft Benson. Benson and his supporters argued that lower supports would discourage production and help to cut unmanageable and costly surpluses. This policy was based on the erroneous belief that lower prices would cause farmers to reduce

their output. Thus in 1954, the Republican Congress, with strong backing of the American Farm Bureau Federation, passed a flexible price support law.

However, surpluses increased, agricultural prices declined, and farm income dropped. The situation became so serious that in 1956 Democrats attempted to restore the 90 percent of parity program abandoned in 1954. However, Eisenhower vetoed this bill and Congress was forced to go along in an election year and enact the soil bank measure which made liberal payments to farmers who would withdraw land from production. Under his discretionary power, Secretary Benson continued to lower price supports and loosen production controls, and surpluses, especially in corn and wheat, built up to record levels, and CCC losses mounted to unprecedented heights. By June 1960, the Federal Government had \$8,525,237,000 invested in price support operations, or an increase of about \$7 billion in 7 years. More than half of the total amount, or \$5.8 billion, was invested in wheat and corn.

As a result of this situation, a hue and cry has arisen to abolish the entire farm program. A book by William H. Peterson on "The Great Farm Problem" (1959) argued that all major farm troubles stemmed from governmental intervention, and he insisted the mess could not be corrected until the Federal Government got completely out of the agricultural picture. Late in 1959, Life magazine carried a series of articles centering around the theme that the Government should abandon its controls. Reliance on the free market, said the writer, was the solution to the agricultural problem which had sprouted into a national scandal. In the midst of widespread controversy Representative PERKINS BASS of New Hampshire, argued in 1958 that the farm support program had been an expensive failure. He said that "most Americans would be astonished and deeply shocked at what it costs them to carry on this price support program." Politicians, farm organization leaders, farmers themselves, and even professional economists were badly divided. To modify an old saw slightly, it might be said that if all farm advisers were laid end to end they would not reach a conclusion. What, then, is the answer?

In the first place, a most elementary but extremely important observation should be made. Actually, there is no completely satisfactory solution to the farm problem, which, as was emphasized earlier, is really a multitude of problems. Although former President Eisenhower declared that "no cure can be brought about rapidly," most political leaders have been either too fearful or ignorant to admit this situation. This fact undoubtedly accounts for the reason why so many people have become angry, frustrated, and bewildered. Twenty-five years ago it was assumed that most farm problems would vanish when prosperity was restored. People said in the 1930's that if the United States achieved full employment and high consumer purchasing power, the agricultural surplus problem would soon take care of itself.

But these predictions did not take into account the tremendous increase in agricultural productivity after World War II. Using 1947-49 as 100, the index of production per acre rose from 97 to 123 between 1950 and 1960, and from 112 to 189 on the basis of productivity per man hour. Consequently, even a prosperous domestic economy and abnormally heavy sales abroad could not absorb all that American farmers could produce at profitable prices, and problems and maladjustments continued. Many Americans then began looking for a devil on which they could blame the situation. The devil found by Peterson, the writers for Life, and many others was the Government agricultural programs. These critics invariably

argue backwards. They say huge wheat, cotton and other surpluses exist because of Federal intervention. This, of course, is not true. The Government farm programs were inaugurated to solve a surplus problem which already existed. Forgetting completely what had happened to farmers prior to 1933 when prices were determined by the free market place, and what would happen again to farm prices if the Government programs were abandoned, these critics would throw out the baby with the bath water. This is rather characteristic of the American temperament. Americans not only like, but demand, absolute, and definite answers to their problems. They chafe under half-answers or partial solutions. When final and satisfactory answers are not forthcoming, they tend to become disillusioned, frustrated, and impatient. This condition could be illustrated in the field of foreign policy as well as with the subject under discussion.

While it seems as though there is no completely satisfactory answer to the farm question, there are several things, none of which are essentially new, which would gradually make the agricultural program less expensive and at the same time be of continued help to farmers.

In the first place, Congress should inaugurate genuinely effective acreage and allotment controls in the major surplus crops until the worst surpluses are reduced. Because of political pressures, Congress and the Department of Agriculture have never tried to enforce allotments which would materially cut the surpluses of cotton, corn, and wheat. Strict cross-compliance should be enforced. That is, farmers should not be permitted to plant idled acres to crops which will produce surpluses in other commodities. For example, idle corn acreage should not be planted to soybeans or sorghums. The soil bank or feed grain program could be extended to help with this adjustment, and changes within these programs might well be worked out to provide greater benefits to smaller farmers.

Also benefits should be greater for actual farmers than for absentee landlords. In the past many nonfarm people have bought farms primarily for the privilege of leasing the land to the Federal Government under one of the agricultural programs. This has been tightened up somewhat, but many abuses resulted under the original administration of the soil bank law. Moreover, reclamation of arid lands for agricultural purposes should be stopped. The cotton surplus problem would be much less serious today if California, Arizona, and New Mexico had not greatly expanded their acreage and production, mostly since 1940. In 1939 those three Western States produced 741,000 bales of cotton compared to 2,536,000 in 1957. Only politics can explain a program for expanding allotments in those States when the Nation already had too much cotton. To do some of the things suggested here would mean taking the farm program out of partisan politics. This may be impossible, but it should be honestly tried.

But, you ask, if farm prices are kept up by effectively curtailing production, when will consumers get cheaper food? The answer is that Americans probably will not get cheaper food, price supports or no price supports. Food is more expensive because of the growing costs between the farmer and the consumer. In July 1961, the farmer got about 39 percent of the consumers' food dollar, compared to 47 percent in 1936. During 1959 most food prices advanced while farm prices generally declined. Retail pork prices are a good example of the situation. Hog prices dropped from about \$20 a hundred to around \$12, a decline of about 40 percent, but pork at the butcher shop dropped only slightly.

Secondly, the American people should eat up more of the perishable surplus like meat,

milk, cheese, butter, and fruits. The wheat surplus cannot be even dented by eating more bread, but this is not true of fruits, vegetables, dairy products, and meat. For these products, the Brannan approach should be tried. Let prices fall to their market level, a condition which would encourage greater consumption; then make direct compensatory payments to farmers. This would provide more and better food to the 7 million low-income families and besides save the cost of storing surplus butter, cheese, and similar products. Net losses by the CCC on dairy products from 1933 up to June 30, 1959, totaled \$1,760 million, far more than for any other commodity. If this surplus food is properly distributed there need be no social loss at all. Moreover, overseas exports of food and fiber should be continued and expanded under Public Law 480. In other words, production of certain crops must be curtailed against price-ruinous surpluses and at the same time consumption must be expanded as much as possible. These objectives are not incompatible. In other words, Congress and the U.S. Department of Agriculture must keep chipping away at the farm problem, not with the idea of achieving a completely satisfactory solution but with the objective of rewarding efficient farmers amply for producing abundant food supplies.

The long-range situation is perhaps more encouraging. With a rapidly growing population, more food will be needed. Furthermore, it is not likely that farm production will rise as fast in the next 15 or 20 years as it did between the beginning of World War II and 1955 when total agricultural output increased 35 percent with no expansion in acreage. At the same time, a great deal of land is being taken out of production. About 1 million acres are being absorbed annually in urban expansion, highway building, and other nonfarm uses. Therefore, it is logical to assume that the ever-increasing burden of surpluses will begin to taper off before too long. In fact, it already appears as though the situations in cotton and dairy products are improving. Meanwhile national policies must be followed which will give agriculture, a vital part of the whole economy, fair treatment. Lawmakers and the general citizenry should not become panicked by charges that price-support programs have become unbearable. Total losses of the Commodity Credit Corporation for price-support operations up to June 30, 1960, amounted to \$8.5 billion. The U.S. Government spent about \$814 billion between 1946-59. In other words, price-support operations have cost approximately 1 percent of the Federal expenditures in that period. To throw out the farm program without substituting anything constructive for it is to admit that a free people cannot solve their economic problems. This is an indictment of representative government which intelligent Americans must refuse to accept.

#### COOPERATION OF STATE'S AGENCIES IN ITS ECONOMIC DEVELOPMENT

Mr. HICKEY. Mr. President, during the last 18 months I have been privileged to serve the people of Wyoming from back here in the Senate by working with the Wyoming Natural Resources Board. As Governor of Wyoming, I participated in the development of the Opal project of the El Paso Natural Gas Co., the pilot stage of the Food Machinery Co. plant in Kemmerer, the initial phases of the Geneva Steel Co.'s steel development in the South Pass, Lander-Riverton area of Wyoming which is fast approaching completion, and the Green River-

Trona explorations, together with many other projects now contributing to Wyoming's economy. The board, through its director, Mr. J. A. Buchanan, who is presently in the Capital City working on additional projects for Wyoming's future, invited me to a luncheon today, which was called a congressional luncheon, given by the Association of State Planning and Development Agencies.

The Wyoming Natural Resources Board is a member of this organization. The principal address at the luncheon was given by the Honorable BENJAMIN A. SMITH II, the Senator from Massachusetts, and I ask unanimous consent that Senator SMITH's address be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit I.)

Mr. HICKEY. Senator SMITH's address impressed me particularly because of a statement contained therein which stressed the need for participation by the local, State, and National Governments in the development of an individual area. He pointed out the advantages realized from the efforts of the universities and colleges in a State when these are directed toward the development of the State's economy.

I consider especially important this statement by Senator SMITH, "If we are to maintain the strength of our economy, we must begin today to bring tomorrow's industries to the State."

This particular challenge given in the address by Senator SMITH I know will be heard by our Wyoming Resources Board. This agency, in cooperation with my alma mater, the University of Wyoming, I am sure will provide the same type of climate in Wyoming as the Massachusetts group, working in cooperation, has provided there, and thus permit us to obtain some of the research and development contracts for Wyoming which can be justified economically, by reason of the location there of the Atlas missile site and the forthcoming Minuteman missile site, with their electronic requirements. Future operations might well be located in various cities throughout the State not now participating in such programs.

#### EXHIBIT I

ADDRESS BY SENATOR BENJAMIN A. SMITH II

President John T. Burke, on behalf of my colleagues in the House of Representatives and in the Senate, I wish to extend to the directors of the 50-State economic development and planning agencies a most hearty welcome to the U.S. Capitol. It is most fitting that you who have the direct responsibility for the economic development and planning of your respective States should meet with your elected representatives in the National Capital.

Each one of us sitting in the House and Senate has a dual responsibility. It is first to make the laws for our Republic, and second to aid the economic development of our particular State or district. In the latter role we accept a very broad concept of economic development, as distinguished from the rather narrow plant location phase.

At the Federal level almost every program has an important bearing on the economic development of the States. From the Federal highway program to the Army civil works program—from the small business

loans to the defense procurement program—from the space program to area redevelopment—all play a role in State economic development.

We, on Capitol Hill, are your partners in the comprehensive job of development. Together we shall stimulate the economic growth rate of the Nation and our respective State economies to new and unprecedented levels.

Your national association under the leadership of our highly esteemed Massachusetts commissioner of commerce, John Burke, and your able executive vice president, Paul Menk, is recognized here in Washington as an authoritative voice on national economic development. From Capitol Hill to the White House the counsel of your association leadership is eagerly sought.

During the time I have been in Washington, I have been privileged to work on a number of projects to help the economy of my own State of Massachusetts.

These included bringing the Army Quartermaster Research and Development Laboratory to Natick, securing assistance for the cranberry growers from the Department of Agriculture, and getting electronic firms to consider locating plants in areas of substantial unemployment within the State.

These projects, ranging from agriculture to electronics, span a wide range of industries. They also indicate the variety of problems which confront all of us today in our efforts to build the economies of our States and districts. Two other projects which I worked on show, I feel, two areas which will be of particular importance in the future.

One of these was to convince the National Aeronautics and Space Administration that they should locate space projects in the greater Boston area. This area has one of the top concentrations of scientific and academic manpower in the country in its colleges and universities. It also has a good transportation network, rapid connections to other parts of our country and the rest of the world, and ready access to the ocean. All of these are of primary importance in bringing space age industries to a community.

I spoke personally to the Space Administration on this matter. I also helped form a Massachusetts Citizens' Committee for the Location of Project Apollo's Moon Research Laboratory in the Bay State, composed of business and civic leaders. We were unable to get the Apollo laboratory in Massachusetts but our efforts brought other Apollo contracts to the State. Recently, Raytheon and the A. C. Sparkplug Division of General Motors were given a contract to build the Apollo guidance system. I feel confident that we will get first consideration in the future for more of this work because of the efforts we have made to sell NASA on Massachusetts' qualifications for space age industry.

This industry is the Commonwealth's investment in the future. In recent years, the towns and the State government have done an excellent job of building our economy by using Massachusetts' resources of skilled manpower and education to attract electronics and other industries. We cannot, however, afford to stand still. Massachusetts still has areas of substantial unemployment. If we are to get rid of these and maintain the strength of our economy we must begin today to bring tomorrow's industries to the State.

One other project which I have worked on that I know is of importance to all of us here today has been to arrange conferences in Washington between local officials from Massachusetts and the Federal agencies they must deal with.

These agencies are playing an increasingly large role in the economies of our States and districts. Earlier, I mentioned some of



the Federal programs which affect our communities. Under the Kennedy administration, Congress has passed two new programs to help preserve the economic strength of the country. These are the Manpower Development and Retraining Act passed this year and the Area Redevelopment Act. Both are of primary importance to my own State as well as many others across the Nation.

I invited local and town officials from all parts of Massachusetts to come to Washington and learn firsthand what the Federal agencies could do to help them. Through roundtable discussions with department officials they were able to learn in 1 day of a variety of different programs which could help their communities.

This is the type of Federal-State cooperation which will become increasingly important in the future. The means to build stronger communities and through them, a stronger United States, are in all of our hands. It is up to us to see that we get together and use them.

#### THE U.S. AND THE U.N.: AN AFFIRMATIVE VIEW—ADDRESS BY SENATOR JAVITS

Mr. COOPER. Mr. President, today the distinguished senior Senator from New York [Mr. JAVITS] delivered a speech before the National Press Club. The subject of his speech was "The U.S. and the U.N.: An Affirmative View."

I have had the pleasure of reading it, and I hope all other Members of the Senate will take advantage of the opportunity to read the speech in the RECORD. I am sure many persons throughout the country will read this excellent address with interest. It sets out in perspective the purposes of the United Nations, its operations, its functions, and the possibilities it holds for the future.

The subject has been of concern and interest to the people of the country for a long time, particularly this year, when some have expressed opposition to the United Nations and its functions. This very fine speech will enable Members of the Congress and people throughout the country to have a better understanding of the United Nations and its functions in the world, and also the possibilities it holds for our country and its aspirations.

I ask unanimous consent that the speech be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### THE U.S. AND THE U.N.: AN AFFIRMATIVE VIEW

(By Senator JACOB K. JAVITS)

If the radical rightists have even come close to achieving any of their misguided aims today, it is this: they have shaken the faith of many Americans in the United Nations.

I do not believe this is an overstatement. Indeed, history may prove that I may be understating the case.

I express this concern not because the radical right is increasing its attack on the United Nations and demanding our withdrawal from it or because of the number of such letters which have begun to come into congressional offices. This, in itself, is expected and might not be so dangerous, but along with it, there is an increasing tendency among some of our most responsible public officials to downgrade the United Nations.

There is a feeling that somehow the United Nations is a necessary evil and that we're stuck with it. We have begun to hear more and more the assertion that the U.N. is only one aspect of our foreign policy structure; and that because it has fallen short of our expectations, we must look elsewhere to some new "concert of free nations"—perhaps an exclusive club—leaving out the Communist bloc or the neutralists.

There are responsible Americans who are expressing this position—among them some of my Senate colleagues. Even the State Department has on occasion been on the defensive on the United Nations, seemingly more interested in trying to justify our membership in it than in demonstrating militancy about our support of it.

I believe that to downgrade the U.N. is not only damaging to the U.N., but also to our national interest and to our long-range strategy of peace leadership and victory in the cold war.

I consider it sad that even the friends of the U.N. today hesitate to say that the U.N. is our best hope for peace. I say that today with no ifs: The U.N. is our best hope for peace.

We live in a highly combustible world and we all know it. We live amid mounting crises, complex challenges, clashing ideologies, a spiraling arms race, real and intangible walls, wars and revolutions. The easiest approach is to abandon our long-range goals, cut down on our aspirations, rely on our defenses and our defense alliances, and operate from crisis to crisis. The simplest way to avoid frustration—and our responsibilities—is to withdraw from the United Nations.

But that is the course of cowards.

I believe Americans have the courage to pursue a more difficult strategy in the cold war—a strategy geared to a continuing struggle of enormous proportions, involving many facets over a long period.

The United Nations is an integral part of that strategy. It represents the vision of tomorrow, the symbol of the world law we seek; it is the basis of prestige and responsibility for the newly formed nations in Africa and Asia; it is the best guarantee against precipitate territorial change, the most direct cause of major war; and it is the best instrument and auspices for ultimate disarmament with inspection and control.

If we begin to dilute or lower or compromise our aspirations for the U.N. today, we cannot expect an effective world organization tomorrow.

Of course, we must rethink the U.N.'s function from time to time. As circumstances change, so must institutions. And the past 16 years have wrought changes unforeseen by those at San Francisco who drafted the U.N. Charter in 1945, even at the time admitting that it was an imperfect world organization.

The U.N. has changed, to be sure, but it remains indispensable. It is by now a truism that the U.N. is not a collective security system on a world scale—though it has settled and avoided enough conflicts which could have grown to major proportions to justify its existence on that ground alone. But it is now a world parliament capable of rousing the world where it cannot defend it against aggression or injustice—the basis for a rule of law and the prime influence inspiring responsibility as well as authority to the world's new nations, which will determine whether freedom or communism prevails in the world.

Who can say whether this new role is not even more important—indeed, I believe it is—than the collective security role designed in 1945 and based on a Security Council conceived as an instrument of unity "in spirit and in purpose" with our allies in World War II? This was undone by Soviet

use of its veto in a way never contemplated in 1945.

In rethinking the U.N.'s function, we must not lose sight of our own objectives. We must not forget that the success of the U.N. and the success of U.S. foreign policy objectives is one and the same. President Eisenhower made this historic pledge before the U.N. General Assembly in September 1960 and President Kennedy backed it up in September 1961.

The challenge is not to find ways to rely less on the U.N.; but to find the means to rely more on the U.N., as it becomes ready for new tasks.

The notion that the U.N. must be used only if it fits special circumstances or only when we can predict what action it will take is neither consistent nor constructive. The U.N.'s job is peacekeeping, and it cannot select only those trouble spots which seem easiest to handle, because the trouble spot on which it may turn its back, whether in Africa or southeast Asia, may be the very one to bring on world disaster. If a situation involving international peace shows signs of deteriorating to war, it would be unthinkable not to give the U.N. a chance at it.

Where it needs improving and strengthening, let us determine what changes we believe to be best, propose them, and do our best to sell them to the world. If we believe that the U.N. must have a permanent well-trained, carefully selected peacekeeping force, let us press for one. If we believe the U.N. needs better machinery to manage peacekeeping forces and for mediation and observation, let us make specific proposals to this end. If we do not feel the "one vote, one member" rule in the General Assembly is just, let us seek to change it and call for weighted voting. Let's be affirmative, not negative.

Those who raise questions about the U.N., and suggest no answers, and then rush to cast their lot wholly with institutions less broad in purpose or coverage, fail to see beyond today's crises. I support alliances for security and regional cooperation—and so does the U.N. Charter. But we cannot fool ourselves into thinking that these alliances alone will fulfill our long-range hopes and purposes. By the very nature of their limitations, they cannot. They can and do play a vital role in maintaining some balance of power in a world which has not yet accepted the disciplines of the rule of law, but they cannot provide us with permanent peace other than the standstill of the balance of terror.

One leading critic of the U.N. has said that the U.N. is just a dream, that we must have more modest aspirations. What kind of spirit is influencing America today that makes some of our most distinguished citizens afraid to reach for a difficult goal—to seek the realization of a great dream? As the poet Arthur O'Shaughnessy said, "Each age is a dream that is dying, or one that is coming to birth."

It is important to examine some other charges made against the United Nations, indeed, some of which were made from this same platform.

1. It is alleged that the executive branch has sometimes tried to shift the role of decision-making to the United Nations.

No one has yet been able to back this charge with any evidence. No one has shown a single case in which the United States has asked the U.N. to do something which the United States by itself could not do better. The record thus far indicates that only on rare occasions has this country been unhappy with the results of a U.N. vote. It has been in the implementation of U.N. decisions that we have often felt frustrated. The affirmative approach is to concern ourselves not alone with the decisions, but with ways of improving the ability of the U.N. to implement decisions once made.

2. It has been said that the "cold war" may destroy the United Nations if that organization becomes one of its main battlegrounds.

The fact is that we and the Russians have used the forum of the U.N. as a battleground for the cold war since its inception. The pressure is on the side of terminating the bickering in favor of constructive progress like that made in the treaty on Antarctica and the peaceful uses of the atom, in fields such as economic development, outer space, disarmament, and human rights. What is sorely needed are attitudes and proposals which rise above the cold war and transcend it, such as the outer space treaty first proposed by President Eisenhower or the peace race proposal by President Kennedy last fall.

3. It is said that we should not push the U.N. into the fireman's suit unless we are sure the alternatives are worse.

The fact is that in the two cases where the U.N. has mounted a fire brigade operation (Suez and the Congo), the alternatives were worse. In the Suez dispute, it was not the U.N. Middle East force that got the British, French and Israelis to withdraw, but it was the fact of the availability of a U.N. force that allowed such a withdrawal. After they decided to withdraw, the U.N. force was set up to give them a means of withdrawing without having to deal directly with President Nasser. The United States made its decision on Suez independently of the U.N. Was there an alternative other than allowing the occupation of Suez with an inevitable, undesirable Algerian-type guerrilla war? There was an alternative of U.S. intervention. But this would clearly have been worse. The trouble with Suez was that we failed to exact from President Nasser an adequate commitment for an open Suez Canal and an end to boycotts, blockades and provocations.

In the Congo, the evidence was incontrovertible that the Soviet bloc was ready to move in. What was the alternative to U.N. action? The only alternative was direct U.S. intervention. That surely would have been more costly than a U.N. operation and it would have resulted in a dangerous confrontation between the two superpowers analogous to the Spanish Civil War of the 30's. Let us remember, for instance, that the confrontation in Korea cost the U.S. \$18 billion and tens of thousands of casualties.

What we ought to be doing is to ask ourselves what lessons are to be learned from the Suez and Congo operations. Does it make sense to wait until the crime has been committed before we organize the police force? Is peacekeeping so simple that we can afford to assemble volunteers hastily and throw them into a hot spot solving the problems of supply, transportation, recreation, pay scales, language, authority, and financing as we go along? Contrast this with the time, men, money, and training that go into maintaining a constant state of readiness of our U.S. Forces. Rather than bemoan the inadequacy of past and present U.N. peacekeeping operations, we ought to be carefully determining for ourselves what we feel would be better next time and proposing it to our fellow members of the United Nations.

4. It is charged that there are too many votes on too many issues in the U.N.; and that everyone talks too much.

This is the most curious of complaints, especially in view of the fact that the United States has never suffered defeat on any vital vote in 16 years. But more than that, the complaint fails to recognize that as a world forum, a political arena, the U.N. is the closest thing we have to a parliament of man. We can no more discourage discussion than we can make the U.N. go away by ignoring it—or disband the U.S. Senate for the same reasons.

5. It is said that the U.N. gets a disproportionate amount of press, radio, and TV coverage in the United States.

To an audience of journalists, I am probably treading on ticklish ground, but I submit that with notable exceptions, there is actually less than enough analytical and interpretive coverage of the affairs of the U.N. as contrasted with events in Washington. Indeed, coverage of the many constructive social and economic programs of the U.N.'s specialized agencies hardly measures up to the great international efforts involved.

Admittedly, there might be fewer headlines in U.S. papers if the U.N. were moved from New York to say, Geneva. But there would not be fewer headlines in the newspapers of member countries, especially Afro-Asian countries, who consider the U.N. as their principal means of self-expression, and their principal status position in the world. Moreover, their speeches would not be reduced, if the U.N. were abolished. They could and would still gather at Bandung or Belgrade—with results much less helpful to our side.

6. It has been said that our U.N. delegation plays a larger role in policymaking than our representatives to NATO or to major capitals.

It seems to me patently absurd to say that a representative who is in constant contact with official representatives of 104 nations should have no greater role than those who deal daily with but one of the 104. Our Ambassador to the U.N., whether it is Henry Cabot Lodge or James J. Wadsworth or Adlai Stevenson, speaks for the United States to 103 nations and must maintain diplomatic relations with the 103 nations rather than one alone.

An ambassador to an organization dedicated to "saving succeeding generations from the scourge of war" can hardly be accused of playing too large a role in shaping our national policy. One must have a fuzzy perspective to make that charge without recalling the warning of President Eisenhower regarding the influence of the military-industrial complex in shaping our national policy.

7. It is charged that we have given too much weight to world opinion in our decisionmaking to the detriment of our ties with the Atlantic community.

I suggest the opposite has more often been the case. On the colonial issue, until recently, we voted with our allies or abstained despite the overwhelming sentiments against colonialism in this country and despite the adverse effect that our votes had on public opinion in a very large part of the world. Where we have differed with our allies, it was because they did not have tenable long-term positions, as in Suez, the Congo, Algeria, and Angola. To say that we have permitted the neutral nations to influence our policy and alienate our old allies is to say we should give our NATO partners a blank check and that we must support their foreign policies, regardless of whether they are inconsistent with our national interest and objectives. Even Britain and France can on occasion indulge the luxury of standing aside; given our world responsibilities and the new balance of forces in the world, we cannot.

World opinion is certainly a factor in policymaking, but it can and should never transcend our national interest. We have recently resumed atmospheric testing of nuclear weapons—a decision I supported—despite what we know to be adverse world opinion. And let us remember that the U.N. is only one forum from which such opinion is heard. Shutting down the U.N. would not mute protests, for example, over atomic weapons testing.

Here again there is an affirmative side. Modern communications have democratized the processes of government both internally and externally. This is a healthy development. Rather than bemoan the challenge of world opinion, we should recognize this new

dimension of international relations and utilize the communications talents for which we are well known to win men and women around the world to the principles for which we stand.

8. It is said that the voting system in the General Assembly is inequitable.

I share this view. Certainly, when nations the size and power of the United States, the United Kingdom, and the U.S.S.R. can be outvoted by four tiny nations, it does not conform to our ideas of proportionate representation or to the power realities of the world. Moreover, although the U.N. Charter assigned power to the Security Council and gives the General Assembly merely recommendatory power, the years since San Francisco have seen a decline in the use of the Security Council and a growth of the General Assembly's influence—witness the sweeping change introduced by the Uniting for Peace resolution of November 3, 1950.

Nevertheless, imperfect institutions have often shown surprising viability—take our own Senate, where 1 voter in Alaska has the weight of 80 voters in my State of New York in electing 2 Senators. The proof of the pudding is in the eating; and on virtually all the issues of great moment, especially in the cold war, the United States has found itself in the company of the great majority in the General Assembly.

As long as our basic aims are seen by them as being compatible with their own—as those of the U.S.S.R. are not—this should remain true. It will be possible one day to rationalize the voting system in the General Assembly, making it more equitable and possibly more effective, but meanwhile, it is only fair to say that the present system has not yet operated to our disadvantage in the 17-year history of the U.N.

What we should go about doing is working out a new two-thirds majority with the Afro-Asian bloc, the Latin American bloc, and the Western bloc, even if there be excluded entirely the Communist and neutralist blocs. There are still enough nations to do this whose ideas are in the generally same frame of reference as far as the United Nations mission is concerned.

9. Finally, there is the argument that we should not exaggerate the U.N., that it should be downgraded in our foreign policy structure.

This is the most pernicious because it represents a concession to the radical right; and indeed, to the radical left, too, which is just as interested in seeing the United Nations undercut.

Downgrade the U.N.? How can one downgrade an organization which represents the one and only institution today binding together, no matter how imperfectly, most of the family of man? How can one exaggerate an institution that brings together 14 specialized agencies dealing with such fields as world food, labor, health, trade, and finance?

It is expected that 60 nations will have pledged by the end of this year \$100 million to the U.N. bond issue. Can we fail to acknowledge that in the whole history of collective security, nothing could represent a more tremendous demonstration by the various countries of their faith in the United Nations, and their aspirations for a world rule of law?

It strikes me as rather tragic that the United States, which was the first to ratify the U.N. Charter, will possibly be the last to make its pledge to the U.N. bond issue. Those of us who take pride in the role of United States as peace leader of the world have reason to question whether we have forthrightly accepted the mantle of moral leadership.

At the time of Senate ratification of the U.N. Charter, Senator Vandenberg said: "You may tell me that I have but to scan the present world with realistic eyes in order to



see these fine phrases often contemptuously reduced to a contemporary shambles, that some of the signatories to this charter practice the precise opposite of what they preach even as they sign, that the aftermath of this war seems to threaten the utter disintegration of these ideals at the very moment they are born. I reply that the nearer right you may be in any such gloomy indictment, the greater is the need for the new pattern which promises at least to try to stem these evil tides. If the effort fails, we can at least face the consequences with clean hands."

#### MEDICAL CARE FOR THE AGED

Mr. HUMPHREY. Mr. President, in this morning's Washington Post and New York Times, there appear two editorials supporting the King-Anderson medical care for the aged bill which I ask be placed in the RECORD at the conclusion of my remarks.

The Washington Post editorial takes exception to the attack that was made on the King-Anderson bill by the American Medical Association in its television broadcast of this past Monday evening. The Washington Post comments that the American Medical Association condemns the King-Anderson bill for not providing enough medical hospital care when in fact the American Medical Association wants it to provide none at all.

Now, Mr. President, the American Medical Association is certainly entitled to vigorously oppose the King-Anderson bill. But I maintain that it cannot play it both ways. It cannot argue that the bill does not go far enough and does not cover enough people and does not cover physicians while at the same time arguing that we do not need any bill at all and that there is no need for such legislation. No one is maintaining that the King-Anderson bill is the complete answer. Admittedly, it does not cover all of our elder citizens or provide for complete payment of hospitalization care. But it would definitely go a long way toward meeting the acute problem that exists today and which plagues hundreds of thousands, indeed millions of our older citizens who live in fear of the day they may have a prolonged illness and see their hard-earned earnings wiped out practically overnight.

In this connection, I ask unanimous consent that at the conclusion of my remarks there also be placed in the RECORD a short summary as to the number of our elderly citizens, the medical costs they face, and what the King-Anderson bill provides.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. The American Medical Association in its Monday television program said speaking through its President, Dr. Leonard W. Larson, that the administration's medicare proposal would deprive older people of "the American system of medicine, based upon the private doctor treating the private patient."

Mr. President, this statement of Dr. Larson's is simply not true. The King-Anderson bill has nothing to do with the services of physicians. Dr. Larson knows this and the American Medical

Association knows it. I cannot understand why they continue to preach such falsehoods instead of making an argument based on the facts, not on wild figments of their imagination.

As a matter of fact, there is a provision in the bill which expressly and specifically states that there shall be in all of these matters freedom of choice. Particularly is it true in terms of hospital and nursing-home care.

The bill does not apply to physicians' fees, or any relationship between the physician and patient, except insofar as the patient's stay in the hospital is concerned. The period of the stay shall be governed by the advice and the action of the doctor. This is to make sure that there is no abuse of the system of hospitalization or nursing-home care. The patient will be under the professional services and observation of the patient's own doctor. The patient must pay the doctor's bill. The King-Anderson proposal does not provide for the payment of doctors' bills. It provides for the payment of hospital bills and diagnostic services and for nursing-home care and home services.

Mr. President, the medicare bill does not provide for payments to doctors nor does it have anything whatsoever to say about which doctor an elderly person receiving social security benefits shall go to. This is a matter for the individual citizen to determine. Congress has no bill before it which would deprive the American citizen of this right to choose his own physician. And we do not intend that this shall be the case at this time or at any time in the future.

I might add that when the so-called Kerr-Mills bill was before the Senate I attempted to make sure that there would be no denial of freedom of choice with respect to the physician or other members of the healing arts, by offering such an amendment. I regret to say that the legislation passed by Congress at that time, known as the Kerr-Mills Act, did not give that assurance. There are many patients today being cared for under the terms of that legislation, which is now vigorously supported by the opponents of the King-Anderson bill, who are not given freedom of choice either with respect to the hospital or the doctor.

I am sorry that the AMA is throwing up such smokescreens and refuses to debate the bill on its merits.

Rather than taking my word as the final testimony on the subject, I suggest that the editorial to which I have referred, published in the New York Times, and the editorial published in the Washington Post, stand as additional evidence of the accuracy of my comments.

I particularly call attention to this paragraph from the Washington Post editorial:

We think there is no justice at all, however, in the attack on the King-Anderson bill made by the AMA on Monday night. The AMA condemns the bill for not providing enough medical and hospital care when in fact the AMA wants it to provide none at all. There is nothing to support the AMA argument that this proposal "will lower the quality and availability of hospital services throughout our country. It will stand

between the patient and his doctor. And it will serve as the forerunner of a different system of medicine for all Americans."

The President was careful to say on Sunday that "this bill does not solve everything." Indeed it does not.

The quotation I have read from Dr. Larson appeared in an AP dispatch under date of May 21. It reads as follows:

Dr. Leonard W. Larson of Bismarck, N. Dak., association president, said the administration's program would deprive older people of "the American system of medicine, based upon the private doctor treating the private patient."

Mr. President, I submit most respectfully that that statement is not correct. I know the distinguished doctor referred to. There is nothing in the bill which would deprive the patient and the doctor of their privacy or their intimate relationship, or the right of the patient to choose his own doctor.

Such misleading statements should not go unchallenged. We are talking about a system of social insurance which has its own limitations. Someone might wish to attack the proposal on the ground, I suppose, that it is a difference of judgment as to whether this kind of insurance program is desirable, or on some other ground. However, to try to indicate that this program deals with doctor's service in one breath, and then in the next say one of its weaknesses is that it does not cover physicians' costs and care, it seems to me shows the weakness of the whole argument.

I ask unanimous consent that the editorials be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

#### EXHIBIT 1

##### FACTS ON MEDICARE

Citizens over 65: Today there are 17½ million. By 1967 there will be 20 million. By 1972 there will be 23 million.

Older citizens face high medical costs: Nine out of ten people over 65 will be hospitalized. Two out of three people over 65 will be hospitalized two or more times. Older people use almost three times as much hospital care as younger people.

Hospital costs rising: Hospital cost averaged \$9 a day in 1946. Today it averages \$32. Average stay for those over 65 is 15 days.

King-Anderson provides full hospital coverage up to 90 days a year with patient paying \$10 a day for first 9 days; full nursing home coverage up to 180 days after patient has left hospital; outpatient diagnostic services done at hospital with patient paying \$20 for each study; full payment for visiting and home health services up to 240 visits a year.

Cost of King-Anderson: Increase of one-fourth percent in social security tax by employees and employers on first \$5,200 of income (tax is currently on first \$4,800 of income). Cost to average worker would be \$12 a year.

Coverage: Covers immediately 14.7 million persons now over 65 who are receiving social security benefits. Would cover 95 percent of today's wage earners on reaching 65.

"Poverty-oath" assistance not the answer: Only covers very poorest. Requires humiliating poverty test. Danger of poor facilities due to limited State tax resources. No free choice of hospital or doctor in many States. Most States have not adopted program under Kerr-Mills. Most of existing State pro-

grams are meager. Heavy drain on Federal budget—\$280 million in fiscal year 1961 which will rise to estimated \$412 million in fiscal year 1963.

#### EXHIBIT 2

[From the Washington Post, May 23, 1962]

#### RALLY FOR HEALTH

The 33 monster rallies held all over the country on Sunday to promote a social security program of health care for the elderly—linked together by television and addressed by the President of the United States who personally attended the biggest of them all in Madison Square Garden, New York—afford an object lesson in the way the democratic process works in the United States. A visitor from Mars or from Soviet Russia could learn more about American politics from this phenomenon than from a score of textbooks on political theory. For good measure, he might also study the television riptide by the American Medical Association.

These appeals to public opinion illustrate the degree to which government by the consent of the governed is dependent upon the mobilization of consent through leadership. In prodding the public to move in a direction he believes consistent with the general welfare, Mr. Kennedy is discharging the first function of the Presidency. Leadership is no less vital in a democracy than in a dictatorship; the difference is that it must be exercised through persuasion rather than coercion, and it leaves ample room for opposition. The AMA, according to its lights, was displaying leadership, too.

The President began his speech by reminding his audience that he comes from Boston, near Faneuil Hall, "where for a whole period of years meetings were held by interested citizens in order to lay the groundwork for American independence" and went on to say "it's most appropriate that the President of the United States, whose business place is in Washington, should come to this city and participate in these rallies, because the business of government is the business of the people, and the people are right here." He ended by asking for popular support—the indispensable condition for democratic progress.

There were some 17,500 persons crowded into Madison Square Garden in Sunday's sweltering heat, most of them in their sixties and seventies. There was plenty to remind them of the hysterical hopes raised for the elderly by Dr. Francis Townsend a quarter-century ago. The failure of those hopes made political realism a moral imperative for the President. Considering the emotional atmosphere of the occasion, the political overtones of the controversy and the recklessness of the attack made by the AMA on the administration's health care program, the President's extemporaneous speech was singularly free from demagoguery.

Nevertheless, there is a measure of justice in the Republican reproach—voiced on Sunday, for example, by Senator **BOURKE B. HICKENLOOPER** in his capacity as chairman of the Senate Republican policy committee, that the administration is "flying under false colors" by plugging its proposal as a "medical care plan." Terminology presents a tricky problem in this controversy, as this newspaper learned to its sorrow the other day when it fell into one of the terminological pitfalls.

We think there is no justice at all, however, in the attack on the King-Anderson bill made by the AMA on Monday night. The AMA condemns the bill for not providing enough medical and hospital care when in fact the AMA wants it to provide none at all. There is nothing to support the AMA argument that this proposal "will lower the quality and availability of hospital services

throughout our country. It will stand between the patient and his doctor. And it will serve as the forerunner of a different system of medicine for all Americans."

The President was careful to say on Sunday that "this bill does not solve everything." Indeed it does not. It covers most people but not all people over 65. It is based on a system of prepayment through taxation during working years for benefits to be received as a matter of right in old age but it is not, strictly speaking an insurance program. It provides among its benefits hospital care up to 90 days with a requirement that the patient pay for the first 9 days at \$10 a day, nursing-home services up to 180 days and home health services up to 240 visits a year; it includes in the hospital care X-ray and laboratory tests and the services rendered in the hospital by interns, residents, pathologists, radiologists, anesthesiologists and physical medicine specialists but it does not cover ordinary charges by private physicians and surgeons.

What shall we call this limited, inadequate, cautious approach to one of the critical problems of old age? It is a far cry from complete protection against the hazards and expenses of illness. It is a far, far cry from "socialized medicine," that perennial bugaboo of the AMA. The best that can be said about it is what the President has said—"it will begin."

[From the New York Times, May 23, 1962]

#### THE CASE AGAINST MEDICARE

Curious contradictions mark the arguments the American Medical Association and the Republican congressional leadership have put forward against the administration's program of medical care for the aged through social security. The White House bill is criticized for covering too many elderly persons and for covering too few. The part of total health bills it will pay is derided as inconsequential; its potential costs are called too heavy to be borne.

The one charge that emerges with clarity is the common belief of its foes that the program is intended to open the door to socialized medicine. If this is the real objection, it would apply with greater force if the plan covered physicians' fees, instead of being limited as it is to payments for hospitals and nursing homes.

Fifteen million of the country's 18 million aged would be eligible for benefits if the King-Anderson program became operative at the start of 1964. Its payroll tax system of financing would not interfere with continued care of the indigent under the present Kerr-Mills law. The inadequacy of that measure as a total answer is demonstrated by the fact that it provided benefits for only 86,000 persons—three-quarters of them in four States—in March, a year and a half after it went into effect.

We see no more reason to believe that the application of social security principles to the health needs of the aged will prove a hoax than the basic Social Security Act did when the same term was applied to it by the opposition in 1936. An option for cash benefits to those who preferred private health insurance coverage might have merit, if this could be done without leaving all the poor risks in the Government fund and thus upsetting its cost estimates. Governor Rockefeller has proposed such an option, but his plan is an orphan so far as the Republican members of the House Ways and Means Committee are concerned. They appear split between the Kerr-Mills law, with its means test, and the much worse Bow bill, a lineal descendant of the something-for-nothing Townsend plan of 30 years ago. The King-Anderson bill is preferable to either.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORTON. I am pleased that the Senator is making this statement. It is an important point to get across, namely, that the bill does not cover doctor's fees.

Mr. HUMPHREY. That is correct.

Mr. MORTON. The Senator has put in the RECORD as a part of his remarks an editorial published in the Washington Post.

Mr. HUMPHREY. Yes.

Mr. MORTON. About 2 weeks ago the Washington Post published an editorial entitled "Pay Doctor's Fees." It was editorial support for the proposed legislation. If the editors of the Washington Post are so confused that they think the bill would pay the doctor's bills, then indeed the people must be confused. The Senator has done a great service in pointing out that it does not provide for paying doctor's bills. I appreciate very much the comments of the Senator.

Mr. HUMPHREY. I may say that the Senator from Minnesota has been pointing this out for 13 years.

Mr. MORTON. The editors of the Washington Post did not catch it until 2 days ago.

Mr. HUMPHREY. Not only did the editors of the Washington Post not catch it, but a great many other people did not want to catch it either. If a person is going to oppose a proposal, he should at least know what is in it. That does not mean that one needs to understand it fully; but he ought at least to be able to relate it or articulate it. What the senior Senator from Minnesota has said in meeting after meeting, speech after speech, radio broadcast after radio broadcast, and bill after bill, is that the proposed program is a hospital and nursing-home care program. It is what we call a home services program. It offers diagnostic service.

It does not provide for the payment of doctors' bills—and that, according to the opposition, is one of its limitations. It does not provide for full payment; it provides for partial payment of even hospital costs. For the first 9 days, the patient must pay \$10 a day. Likewise, for diagnostic studies, the first payment of \$20 must be paid by the patient. There are other payments involved which are required to be paid by the patients. These are some of the limitations of the bill. However, I think they were included in the bill to make certain that there would be no abuse of the system, and also because it is our view in this country that people ought at least to make a determined effort to pay their way.

This is not a charity program; it is a program of insurance, exactly like any other program of insurance. It is similar to a provision in an automobile insurance policy which we call the \$50 deductible provision. The person pays the first \$50 himself; then, if he is covered by the policy, his insurance company will make good the amount above \$50.

The health insurance program is, in a sense, a kind of deductible program. If those who are critics of the program wish to make a valid criticism, this is one place where the criticism might rest.



Mr. MORTON. The Senator from Minnesota has made a good contribution to the discussion of the subject, which will be hotly debated. I appreciate his saying what he has said. I hope his remarks will receive wide publicity.

Mr. HUMPHREY. I thank the Senator from Kentucky.

Mr. GORE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. Yes, I am happy to yield to my good friend from Tennessee.

Mr. GORE. What limitations are there in the Kerr-Mills law, if it is fully implemented by the State legislatures?

Mr. HUMPHREY. Only the limitations of eternity and outer space.

Mr. GORE. Can the Senator from Minnesota name a single ailment, predicament, malady, injury, or person who would not be eligible under the Kerr-Mills law?

Mr. HUMPHREY. I think the Senator from Tennessee has covered the field completely. The Senator is correct. Under the legislation passed 2 or 3 years ago—3 years ago, I believe it was—which is now so fully supported by the opponents of the President's hospital and nursing-home care program, a person has available to him a wide-open ticket. It covers any and all things from chilblains to cancer; from an ingrown toenail to a brain concussion; and from an aching back to an aching stomach.

Mr. GORE. Does not the Kerr-Mills law provide that doctors' bills will be paid by the Government?

Mr. HUMPHREY. It certainly does. Yet those who are opposed to the social security approach, under which the individual would pay his bill through a social insurance system, the opponents of the King-Anderson bill, holler "socialized medicine"; yet they are the same ones who support the other proposal, known as the Kerr-Mills Act, which provides for a system of "Come and get it," which is a complete Government payment.

Mr. GORE. I believe the Senator, from his family experience, knows that babies sometimes get their days and nights mixed up; they cry all night and sleep all day.

Mr. HUMPHREY. Yes; I can recall that. It has not been so long since we had a youngster of that age around the house.

Mr. McCARTHY. Even in the change to daylight saving time, children become upset.

Mr. HUMPHREY. Yes.

Mr. GORE. To hear this subject debated by mature men and women, one would think that day has become night, and night has become day.

Mr. HUMPHREY. There are none so blind as those who do not wish to see.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. McCARTHY. I commend the Senator for stating the case so clearly again; but I could not compliment him for having done so for the first time, because he has been trying to make the situation clear for many years.

Mr. HUMPHREY. I have.

Mr. McCARTHY. Some Senators who are opposed to the bill feel that it is a kind of revolution; yet it is what we have been talking about for 4 years.

Mr. HUMPHREY. The Senator is entirely correct. Every once in a while someone comes forth and says, "I am pleased to hear someone explain what is in the bill." Of course, there is no rule against the opposition reading the bill; it is not even wrong to try to understand it.

Mr. McCARTHY. The opponents of the King-Anderson bill say, "Now you admit that the potential of the Kerr-Mills law is great." We always did admit the potential; it was the actuality we were concerned about, was it not?

Mr. HUMPHREY. The Senator is correct. I can recall statements made in the debates on the Kerr-Mills bill that the cost of its operation could run into astronomical figures. In fact, even with limited participation for the coming year, I believe the budget request for fiscal 1963 is more than \$400 million.

Mr. McCARTHY. That is correct. Now the opponents of the King-Anderson bill say that that bill is a cruel hoax because it is not proposed to pay doctors.

Mr. HUMPHREY. The Senator means that the opponents of the King-Anderson bill characterize it as a cruel hoax.

Mr. McCARTHY. Yes. We knew all the time that it was not proposed to pay the doctors. We knew it was proposed to try to do some good.

Mr. HUMPHREY. When the first misrepresentations were made about the King-Anderson bill, there were those who said, "Aha. You are trying to impose socialized medicine and put all the doctors under Government domination and direction." Yet the proponents of the bill spelled out in capital letters, neon lights, and phosphorescent tape that doctors were not included; that no physician's costs were to be paid; that the physician and patient were to be separate and intimate in their relationships; a freedom of choice of doctor and a freedom of choice of patient on the part of the doctor.

After we have pointed that out, the same people who at first accused us of including doctors now say "It is a cruel hoax, because you are not including physicians' costs."

Mr. McCARTHY. The opponents say, "There are 2,500,000 persons who will not be covered." Well, we knew that all the time. The question is whether to try to take care of 2,500,000 by some other means and take care of some 16 million by this program. But it is said that because it is not proposed to do anything for 2,500,000, nothing should be done about the other 13 million or 14 million. Does that seem like a reasonable proposition?

Mr. HUMPHREY. Of course not. It is not a reasonable proposition. It is exactly like saying, "If you cannot get 100-percent coverage on all automobile accidents, you should not have any coverage."

Mr. McCARTHY. What would be the status of social security today if this

argument had been heard when social security was first presented?

Mr. HUMPHREY. It would have the status which the opponents of the King-Anderson bill want now for that measure, because they had the same attitude at the time when social security was first considered. They make the same argument now in opposition to the King-Anderson bill.

Mr. McCARTHY. They say it does not cover everybody.

Mr. HUMPHREY. The same people who said social security did not cover everybody said that by not covering everybody, it would ruin morale.

Mr. McCARTHY. Those who were in opposition to another bill some years ago said that it was all right for a start, but it went too far.

Mr. HUMPHREY. The Senator is so correct.

I am pleased that we have had a chance to exchange views on so important a piece of proposed legislation as the hospital and nursing-home care program for the aged under the program of social security, because the subject continues to be one of the more important issues before Congress and before the public.

#### FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. HUMPHREY. Mr. President, the bill pending before the Senate is the Agricultural Act of 1962, S. 3225, a bill reported to the Senate by the Committee on Agriculture and Forestry. It is a bill to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The bill was reported to the Senate on April 27, 1962. It was introduced by the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER].

It should be noted that the bill was discussed at length in committee. It surely has had long, generous, and full debate, discussion, and consideration by those who have the responsibility for conducting the hearings and taking the testimony, namely, the members of the Committee on Agriculture and Forestry.

Mr. President, from 1953 to 1961 I served on the Committee on Agriculture and Forestry; and that service gave me

some understanding of the legislative problems relating to agricultural policy. I hope it also gave me some understanding of the problems of agricultural production, distribution, marketing, and prices—the prices farmers receive for what they produce, as compared with the prices farmers pay for what they must buy. During those 8 years of service on the Committee on Agriculture and Forestry, I attempted to fulfill with care and with diligence my responsibilities as a member of the committee.

Today, I wish to discuss, in rather broad, general terms, agricultural legislation as developed by the Congress, past agricultural policy, and what we project for the future.

Mr. President, back in the 17th century, planters in Virginia and Maryland got together to discuss their tobacco acreages, with the aim of increasing the price by decreasing the production.

Whether they contemplated having this idea incorporated in legislation to be passed by Parliament and approved by the Crown, history does not say. My point is that as long as 300 years ago, American farmers realized that too much in terms of production was reflected in too little in terms of price.

The supply-price formula discussed by the 17th century Virginia and Maryland tobacco farmers was put into feed grains terms by a later farm leader in the Midwest, who advised producers at that time to "raise less corn and more hell."

From the very beginning of our society, there has been a clear relationship between the supplies of agricultural commodities produced and the prices paid to farmers for them. And at the heart of all demands for cooperative farmer action, or cooperative farmer-Government action, has been supply management, in terms of increased consumption, decreased production, or a combination of the two.

Forty years ago the late beloved and distinguished George Norris suggested to the Senate that loans be made from the U.S. Treasury to needy nations abroad, so they could buy American food surpluses. As he was in so many fields, Senator Norris was first in advancing the philosophy of what we now call Public Law 480, the food-for-peace program.

Also in the 1920's, George Peek, one of the great agricultural leaders of that period, advanced theories for agricultural surplus control that saw life in the twice-vetoed McNary-Haugen bill.

My first interest in agricultural legislation, when I was a very young man, was related to the debates in Congress on the McNary-Haugen bill. My father, who was a merchant in the Midwest, and was in very great measure dependent upon agricultural income for his business income, was keenly interested in the provisions of the McNary-Haugen bill, and was a strong supporter of that measure in that day. I believe we are very much indebted to those discussions for enlightening the American people on the subject of agricultural policy as between the Government and the private farm producers. Even those who opposed the compulsory aspects of that legislation, including President Hoover, still called upon the farmers to reduce

their output of food and fiber, as a means of increasing the income of the farm producers.

The first law passed in peacetime to bring the Federal Government into the high-supply, low-price farm picture was the Agricultural Marketing Act of 1929, administered by a Federal Farm Board. Two years later, this Board gave up in despair, buried under an avalanche of abundance. Senators will recall, as they read the history of that period—and some may recall it from personal experience—that the Federal Farm Board was like a huge national agricultural sponge. It sought to sop up or dry up all the extra production of the American agricultural plant. In other words, it sought to bring about a better market price by purchasing supplies from the agricultural producers—but with no controls or marketing regulations applying to producers. We then learned a lesson, or we should have learned a lesson; namely, that it is impossible to buy as rapidly as producers can produce, and that such a program lends itself to the abuse of everyone and everything—abuse of the land, which is overused and overtaxed, in terms of the production of crops; abuse of the farmers, because their crops produce less and less real income; and surely abuse of the Federal Treasury, which is only another way of saying it was an abuse of the taxpayers, because there was no end to the cost of the program.

The next major legislative step came in May of 1933, when the Congress passed the Agricultural Adjustment Act. That act related to some means of regulation or management of supply, and not merely the stabilization or underpinning of price.

Through the years since 1933, a number of Congresses have been passing and a number of Presidents have been signing legislation which had its roots in the discussion among the Maryland and Virginia tobacco planters of the 17th century.

The fact that through three centuries attention has been regularly focused on ways to manage the products of good farmers tilling good earth—on ways to enable producers and consumers to live prosperously together—emphasizes the importance of farmers and food to each generation.

The fact that through three centuries, despite economic and social and natural hazards, farm families have never lost sight of their obligation to produce abundantly, and have removed from our land the specter of hunger that haunted all the previous history of man, is a vivid tribute to their concern, their compassion, their high sense of responsibility, and their ability as producers and entrepreneurs.

Every American has the right to ask: "Why should I do anything for the farmer?" Yet in all fairness he must add another question: "What has the farmer done for me?"

We have always had some sort of farm problem. We have always tried to solve it. And while the record is filled with failures and frustrations, it is also marked by progress and remarkable successes.

In the Congress and out, hope is regularly expressed for a formula that will solve the farm food problem for all time.

Such a hope implies that the McGuffey Reader solved for all time the problem of education; that the First World War solved for all time the problem of war and peace; that the Wagner Act solved for all time the problem of labor relationships; and that the first antitrust legislation solved for all time the problem of business and industry relationships. However, the fact is that there are no permanent solutions. The world is changing, and the economy is changing. Therefore, it is the duty, and also the opportunity, of the Congress to examine and to reexamine, on a periodic and systematic basis, the agricultural policy. We must seek to relate this agricultural policy to the economic and social realities of the day in which we live and the years that we can see ahead.

We cannot go from here to eternity with a single formula for food and agriculture or for any other facet of the general welfare. We can only concentrate on the situation which exists here and now, with the hope our actions will create a sound foundation from which succeeding generations of Americans can effectively meet change with change.

The situation here and now is this:

Agriculture is moving again. During the past year Americans continued to buy more of a wider variety of quality foods at less cost in hours of work than any other peoples in the world, while at the same time returns to farmers for making this achievement possible went up—by a billion dollars. This brought about an impressive, and greatly needed, revival of the entire rural economy and was reflected in the factories and plants and wholesale houses of metropolitan areas.

Mr. President, what I have just stated is a fact for 1961 and into early 1962. The 1961 emergency feed grains program and the 1962 wheat program are responsible programs. Indeed, even though admittedly expedients, they were clearly better for farmers and for the taxpayers than the programs in effect prior to 1961, which increased grain carryovers and budget expenditures year after year. But I remind my colleagues that emergency programs are costly compared with longer range programs such as those proposed by the President in his message of this year.

Improvement in the farm programs cannot stop with gains made in the first few months of this administration. Costs of price supports can and must be cut, not just in comparison with pre-1961 programs.

Today these two key amendments to S. 3225 are needed, as they have been offered by the distinguished chairman of the committee [Mr. ELLENDER]. First, the extension of the 1962 feed grains program now in the bill should be replaced by the mandatory program as presented by the Senator from Louisiana in his amendment, upon which we shall vote tomorrow; second, a referendum in which producers would choose between a permanent wheat certificate program, which would reduce Government costs



substantially, and a costly 2-year extension of the 1962 wheat program should be changed to provide wheat producers a choice between the supply management certificate program recommended by the administration, and by the Senator from Louisiana, and no production limitations, with price supports not to exceed 50 percent of parity.

These will be the two issues before this body on Thursday.

The reasons for adoption of these amendments, as I see them, are quite simple and direct. First, the total additional cost to the Government in 4 years, of voluntary feed grains and wheat programs as the committee had recommended them, would be nearly \$4 billion. The cost to the Government for the 1963 crop—which is not the same as the 1964 fiscal year—is estimated to be three-quarters of a billion dollars greater under the voluntary programs than under the Ellender amendment and the program suggested by the administration.

For example, diversion payments alone under the administration program, as presented by the Senator from Louisiana [Mr. ELLENDER], would be almost \$3½ billion less for the 4 crop years 1963 through 1966 than under the voluntary programs.

I wish our colleagues would examine these figures, because not a day goes by in this Chamber that someone does not rise and remind us of the budget, that someone does not say we must stop this deficit spending.

I am going to watch the votes on the Ellender amendment, because anyone who wants to curb deficit spending—and let the taxpayers and the public know this—who wants to cut down on the cost of Government, who wants to bring the budget into balance, will desire to save approximately \$3½ billion in the wheat and feed grains programs in the next 4 years, and at the same time there will be a better price for these commodities to producers, and more than adequate supplies for all the needs which can be projected for the immediate future.

A large part of these savings would come as a result of putting an end to increases in acreage of noncooperators, which tends to offset the effects of acreage reduction in voluntary programs.

If we are going to have price support programs which provide a reasonable degree of economic stability and income for the producers of food and fiber, it is not wrong, it seems to me, for the rest of the community of American citizens who are consumers to ask that there be some regulation of the supply, or production. Farmers are willing to have this—that is, the majority of them are. This has been proven in the case of cotton, tobacco, wheat, and rice. Farmers have complied because they could see that the prices they would receive for their commodities would be fair in terms of their investment, work, and the risks and hazards of their occupational agricultural activities.

We have a group of people in agriculture, as well as in other parts of our economy, who like a "free ride." We call them noncooperators. They are the people who want to get the advantages

of the price support program, but do not want to take any of the responsibilities. They are the ones who want to get \$1.50, let us say, for a bushel of corn, but do not want to cut production. Those are the noncooperators. That is the problem under any voluntary program.

I am going to continue to remind my colleagues of the fallacies of the way of this administration's predecessors in the farm program.

It was in 1956, I believe, and again in 1958, that the previous administration recommended a low price support of 65 percent of parity on feed grains. Corn is the biggest item; grain sorghums is another great feed grain. There was a price of about \$1.10 a bushel on corn in Minnesota and Iowa. The farmers were told, "Go ahead and plant all you care to. We will give you a low price support of 65 percent of parity and no controls"—the theory being that, if the price support were low enough, farmers would not produce, and thereby production would be cut—a theory that has not one scintilla of fact to prove it. It just does not work at 65 percent of parity.

The theory works when the price support goes to 50 percent of parity. Then production is cut. But when it stays at 65 or 70 percent of parity, production is not decreased, unless there are some other incentives to cut production.

The Secretary of Agriculture, in testifying on this bill, pointed out the very things I am talking about now. He testified in reference to a bill, H.R. 10060, which I believe was presented by the Farm Bureau. The Secretary stated he opposes this bill because it would cost farmers nearly \$1 billion loss in income and would cost the taxpayers another billion dollars in increased Government costs, and even at those costs it would offer no permanent solution to the problem of surpluses.

This particular proposal was one which supposedly would have taken land out of production. It was a kind of soil bank proposal.

Madam President (Mrs. NEUBERGER in the chair), we have learned the hard way. Let us quit kidding ourselves. We went up the hill and down the hill, through the bank and out of the bank called the soil bank, with the previous administration in its programs for agriculture. What did they do? Surpluses continued to mount. The Commodity Credit Corporation became the largest corporation in the world. The investment by the Government of the taxpayers' money amounts to billions of dollars. Production continues to grow. However, farm prices went down. Farmers left the land. In 1961, we found American agriculture in one of its most serious periods of recession.

Fortunately, as a result of emergency action taken a year ago, we were able to stem the tide of recession and to restore some farm income. The net realized income of farmers increased about a billion dollars in 1961, from an estimated \$11.7 billion in 1960 to an estimated \$12.7 billion in 1961. This represented a gain of over 8 percent in income from farming available to U.S. farmers for family living and investment.

Madam President, I think it should be noted that in 1952 farm income was approximately \$15 billion, net. Since 1952, the population of the United States has increased by approximately 20 million people. Despite the increase in population, which results in a greater demand for food and a greater consumption of food, farm income went down on an average of a half billion dollars a year, with the result that in the fiscal year 1961 there was a net income to farmers of only \$11.7 billion. It took considerable effort and emergency legislation in the past year to raise that income by a billion dollars for the entire agricultural economy.

Madam President, the \$12.7 billion realized net farm income in 1961 was estimated to be the highest since 1953 and well above the 1954-60 average.

I point out to the critics of the administration's farm policies that the arithmetic, in terms of net farm income, is on the side of this administration. The statistics, in terms of net farm income, surely do not support the policies laid down by the previous administration as the agricultural policies for this country.

Madam President, the administration's wheat and feed grain programs in my mind are specifically designed to be of constructive help to the farmers and to the public. I am hopeful that these programs, which provide for referendums along the lines of those provided for the cotton, tobacco, rice, and peanut programs for many years, will be passed. I hope this kind of program will be applied to the wheat producers and to the feed grain producers.

At a later time during the debate it is my intention to go into some of the details or the specifics as to how these programs will operate, even though I do not think this is absolutely necessary, since the chairman of the committee [Mr. ELLENDER] has gone into great detail in his presentation to the Senate.

Mr. McCARTHY. Madam President, will the Senator yield to me on one specific point?

Mr. HUMPHREY. I am happy to yield to my colleague, who serves on the Committee on Agriculture and Forestry.

Mr. McCARTHY. The Senator knows that a number of Members of the Senate have spoken about what they consider to be a special problem which might arise in respect to some segments of the dairy industry, at least unless a dairy price support program is approved. Those Senators feel that unless a dairy price support program is approved, to raise the prices of dairy products, the feed grain program as proposed by the chairman of the Committee on Agriculture and Forestry, if accepted by the Senate, would be of great disadvantage to all of the dairymen.

There seem to be some misconceptions in this point of view. One should take into account the modest increase in prices which would result. One should take into account the existence of great surpluses of feed grains. This is particularly true if we include in the figures for the feed grains of surplus a lot of wheat still listed as being suitable for milling which in fact has reached the

point of deterioration that we shall be lucky if a lot of it is good feed. One should consider the entire dairying program—not merely 75 percent of parity for manufacturing milk, which my colleague and I agree is too low, but also the total milk picture, even in respect to marketing areas and prices paid for milk in many cases much higher than 75 percent of parity. Certainly, in the name both of equity and of justice for feed grain producers in relation to dairy farmers, the proposals made in the Ellender amendment are, it seems to me, modest and within reason.

Mr. HUMPHREY. I suppose one might expect, after only a surface study or a very limited understanding of the feed grains proposal, that there might be individual dairy producers in the East, or in what we call the feed deficit areas, who would register disapproval of the feed grains provision. As the Senator has pointed out, when one studies the real facts then there ought not to be any opposition from the dairy producer of the East, or of the Southeast, or elsewhere.

The Senator has cited the fact that the increased price to the feed grain producer will not be extravagant. It will be modest. It is long overdue.

Secondly, the program which is contemplated for feed grains is not a scarcity program. It will not mean a rigging of the market to force up prices dramatically and drastically.

More important, as my colleague from Minnesota said, the supplies of feed grain in the Commodity Credit Corporation represent approximately 5 to 6 months of supplies of the regular feed grains, along with a tremendous supply of corn over and above what we call the normal feed grains, plus the wheat.

I am glad the Senator brought up the subject of wheat and the other grains, because, of course, this is the cushion which prevents any inflation in prices and which should remove any fears of the dairy producers in the so-called feed deficit areas. The wheat to which the Senator refers, in my mind, should be reclassified or redefined.

Mr. McCARTHY. Declassified.

Mr. HUMPHREY. Or declassified. The Senator is correct.

There is a large amount of wheat owned by the Commodity Credit Corporation which is not milling wheat. The Senator and I both know that milling wheat is at a premium. One does not need a price support for milling wheat now, particularly. Milling wheat is selling far above the price support level. It is a premium priced commodity.

Mr. McCARTHY. The millers themselves have requested an expansion of the production of milling wheat, or have requested that Congress permit an expansion of production of that kind of wheat.

Mr. HUMPHREY. That is correct. I think the bill before the Senate would provide authority for doing so.

Mr. McCARTHY. There is a provision with respect to the types of wheat in which increased production is considered necessary.

Mr. HUMPHREY. As I recall, my colleague was instrumental in getting that section put into the bill. With respect to the type of wheat used for milling purposes—for bread purposes in the American market in particular; and for the purpose of spaghetti and macaroni, which require high quality wheat—there would be discretionary authority to adjust the supply.

I believe the Senator worked with the Senator from North Dakota [Mr. Young] on that provision.

Mr. McCARTHY. The Senator is correct.

Mr. HUMPHREY. I wish to give credit where credit is due, because I think this is an important amendment.

The kind of wheat to which my colleague [Mr. McCARTHY] referred earlier is a feed grain. It is not really a milling wheat.

Mr. McCARTHY. The Senator is correct.

Mr. HUMPHREY. We speak about billions of bushels of wheat. I think it is fair to say that over half of that wheat may not be suitable for milling purposes.

Mr. McCARTHY. Estimates run from 800 to 900 million bushels that are basically unsuitable for milling purposes.

Mr. HUMPHREY. The Senator reminds us that 800 to 900 million bushels are not suitable for milling purposes. The average citizen in our country, speaking of wheat, thinks of wheat for bread, flour, pastries, and the sort of thing that we get for the kitchen, when, in fact, much of our wheat stocks today are not suitable for such use.

Mr. McCARTHY. We moved somewhat away from the feed grain program in relation to the dairy problem. But the point the Senator has made in reference to wheat has significant bearing on another amendment which the chairman of the committee intends to offer. The amendment would strike out of the proposal one of the choices given with reference to wheat. The amendment would get to that very point. It would attempt to bring about a reduction in the production of the kind of wheat that is not necessary for feed, and certainly not necessary to supply the milling needs of our country.

Mr. HUMPHREY. I believe the Senator is absolutely correct. As it has been described by the chairman, and discussed in the committee, the Ellender amendment together with the amendment we have discussed, which is sponsored by the Senator from Minnesota and the Senator from North Dakota, is the sensible approach to the problem of wheat production.

Mr. McCARTHY. The Senator is correct. I would like to make two observations with regard to the question of the price of feed grains and the dairy industry. The argument made by spokesmen for certain areas of the country is that they are both big milk producing areas and deficit feed grain producing areas. They need inexpensive or cheap feed. The argument is not particularly sound since for the most part those are areas in which milk marketing orders stand.

Mr. HUMPHREY. Would the Senator mind explaining the difference between a milk marketing order with reference to price and the regular price support program?

Mr. McCARTHY. The milk marketing orders have the effect really of setting up a kind of controlled price within a given area.

Mr. HUMPHREY. A much higher price.

Mr. McCARTHY. A much higher price than the \$3.11 that is paid for manufacturing milk. As the Senator knows, in many of the marketing areas, particularly in the East and the northeastern area, by arrangement, about half the milk produced under the marketing orders is now sold as manufacturing milk, whereas the original intention, for the most part, was to protect consumer interests and assure a supply of high grade milk.

In order to qualify within a marketing order, a producer must produce high grade milk. Having produced and delivered the milk, it is in a sense declassified, too. Even though it is produced and handled at a relatively high cost, in order to qualify as grade A milk under a marketing order, it is then sold as manufacturing milk. We would then have a very uneconomical operation. In some areas the cost of feed runs as much as \$20 a ton more than the cost in Minnesota and Wisconsin. The cost is part of the total bill which is paid in those areas. But those producers have the advantage over those covered under a marketing order, in that they can afford to produce almost twice as much fluid milk as is needed for the market at \$20 a ton more than it would cost them if they produced manufacturing milk close to the source of feed. Yet they would have the advantage that they had overproduced by nearly 100 percent in order to get the advantage that comes from being covered in the marketing order. Certainly producers in areas of that kind, or the people who speak for them, cannot make a justifiable argument for keeping feed prices low so that they can continue that uneconomical method of producing manufacturing milk.

Mr. HUMPHREY. An excess supply.

Mr. McCARTHY. An excess supply, particularly of manufacturing milk.

Mr. HUMPHREY. The Senator speaks of areas in which there is already an excess supply and where feed grain production is the normal pursuit of the farm community.

Mr. McCARTHY. In the first place, they are better able to pay proper prices for feed because they have a guaranteed price. They operate in a protected market. Second, they have no economic justification for continuing the system, if we can call it a system. On the other hand, in the Midwest we are concerned about the movement of milk production to areas in which it is not really economical to produce milk. It would be to the advantage of producers in such areas to raise the price of feed grain so that the uneconomic advantage which goes with the marketing order areas in the



East would not be altogether eliminated, but at least reduced.

Mr. HUMPHREY. The Senator has given a very concise and clear explanation of some of the differences in dairy production costs and marketing practices, between what we call the surplus dairy production areas and the so-called marketing order eastern areas. He has described for us what the feed grain proposal would mean to those respective areas of production.

I would boil the argument down by saying that if we wish to have a fixed good price under the marketing order, the producer ought to be able to pay a reasonable price for feed. If a producer is going to maintain a fixed good price in the marketing order area, and at the same time produce more milk than can be marketed for the consumer in terms of the delivered product of wholesome milk for daily use, we ought not to ask the feed producer in the Midwest further to subsidize that kind of operation with cheap feed prices.

I might even add that the program that is suggested and recommended by the Ellender amendment and by the administration will not drastically increase feed prices so that anyone would be driven out of the dairy business, but at least it would require those who are in the marketing orders and working under them in some of the highly concentrated, densely populated areas to pay a fair price for their feed. At the same time they would receive a fair price for their dairy products.

Mr. McCARTHY. As the Senator has said, it may tend to produce a double subsidy, in effect. First, one would come from the marketing order, which affords price protection; second, one would come from cheap feed.

Mr. HUMPHREY. The Senator is correct. I do not believe that either of the Senators from Minnesota are protesting the use of marketing orders.

Mr. McCARTHY. Not at all.

Mr. HUMPHREY. To the contrary, marketing orders are an orderly way of maintaining proper marketing practices. But if we are going to have marketing orders that provide a fair price—and sometimes a very good price—producers ought to be willing to pay a reasonable price for their feed.

Mr. McCARTHY. And when we have substantial evidence that twice as much milk is being produced in an area than is needed to meet the demands of consumers of fluid milk in that area, then there is some reason to question the operation.

Mr. HUMPHREY. I thank the Senator.

Mr. McCARTHY. After we have finished considering the question of the common market, I hope the Senator will join with me in giving some attention to developing a common market in the United States.

Mr. HUMPHREY. On such questions as dairy production.

Mr. McCARTHY. The Senator is correct.

Mr. HUMPHREY. I think that would be a worthy experiment, and would be the first stage in our becoming more

closely associated with the common market.

Mr. McCARTHY. As evidenced today by our common purpose.

Mr. HUMPHREY. Our common purpose for a common market.

Mr. McCARTHY. In the United States.

Mr. HUMPHREY. I thank my colleague.

Madam President, there are a few facts that remain with us that no one can ignore.

Production of some agricultural commodities—mostly feed grains, wheat and dairy products—exceeds the volume that can be sold or given away to consumers here and abroad, channeled into industrial uses, or stored for future use.

The cost of present programs related to these commodities is too high in terms of benefits realized by farmers, consumers and taxpayers.

The rewards being experienced by farmers for making this the best-fed, best-clothed Nation in the world are still too low.

Now, Government and people, working together, can meet these problems if they will, but the initiative must come from the Congress. No one can act with authority and purpose until the Congress acts to change the law.

The bill before the Senate, and the amendments which will be proposed, have their origin in the A-B-C-D farm policy proposals made to the Congress by President Kennedy last January.

The President called for legislative action that will—

First. Make maximum use of our productive abundance.

Second. Achieve balance between production and demand that will avoid waste of private effort and public resources.

Third. Provide for conservation of land and water resources.

Fourth. Create programs for the development of human resources and renewal of rural communities.

In other words, a balanced abundance, the conservation of human and natural resources, and the development of human resources in rural communities.

The President rejected the concepts of price through scarcity, of balance through idling land and people—rather he called for maximum use of abundance—maximum utilization of human and natural resources—maximum efficiency in expenditures of Federal funds—maximum effort in the development of new opportunities.

This Congress need only open the A-B-C-D gate. There is within our people, in every community of the land, the will and the energy and the know-how and the determination to utilize the opportunities offered by a positive approach to abundance, balance, conservation, and development.

Food abundance, without utilization, is waste, disgraceful waste of human and natural resources.

We achieve maximum utilization by:

Making food available in retail stores at prices that enable average-income families to achieve healthful diets and

remain able to budget fair shares of their salaries for other needs.

Making food available to low-income or no-income families and individuals through grants or gifts, or partial or total subsidy.

Making food available through school milk and school lunch programs so that all children will have a measure of equity in nutritional as well as educational opportunity.

Making food available to those of our neighbors around the free world who are hampered by hunger in seeking the dignity and the decency that are inherent in the well-being of man. As Agriculture Secretary Freeman pointed out in a plea for food utilization at the recent world food forum, which was held here in Washington last week:

Let it never be said that, in these critical years of the scientific revolution, we were able to send men into space—but unable to put bread and milk into the hands of hungry children. Let it never be said that we had the scientific knowledge and the technical skill to produce power sufficient to destroy civilization, but that we did not have the ability, the vision, and the will to use that knowledge to produce and distribute the abundance that science and technology now offer to a world at peace.

Madam President, I heard that message. The Secretary outlined in it the manifold achievements of American agriculture during these many years. He told us particularly of the most recent 100 years, and how American agriculture had increased production and permitted people to leave the land to work in our cities. He told us of the great contribution that American agriculture has made to the scientific and technical and industrial progress of the United States. Madam President, in the United States today there is a very small minority of our people, less than 10 percent, on the land as farm producers. Yet each one of these people produces a large amount of food and fiber, in amounts sufficiently large to feed and clothe the people of this country better than any other country of the earth, and permit this Nation to have vast exports of agricultural commodities, thereby increasing the economic strength of America. At the same time American agriculture permits this Nation to use food and fiber as an integral and important part of our national security program.

It is a remarkable record. This record deserves the commendation of Congress and, indeed, it deserves the favorable consideration of a legislative policy to permit the producers of food and fiber to share equitably in the national income.

The legislation before the Senate can strengthen and widen these avenues of availability; can make abundance more meaningful; and can make certain their will be a maximum utilization of our abundance.

For 300 years we have been cognizant of the relationship between price and supply in farm commodities. This has not been an entirely selfish recognition, because the relationship between supply and waste has always been a factor, too.

We have been experiencing waste—waste in land use, waste in labor, waste in seed and machines—by producing some commodities beyond our capacity for utilization through sale, through gift, and through industrial use. Principal among these have been feed grains and wheat.

The waste of land and human resources in overproduction has resulted in unnecessary expenditures of tax resources.

Total outlays for farm programs advanced from \$2.9 billion in fiscal 1954 to \$7.1 billion in fiscal 1959, and to \$7.2 billion this fiscal year. By 1961, as a result of the previous supply management programs of the previous 8 years, costs of carrying surpluses of wheat and feed grains had reached \$900 million annually. That is not the cost of the commodities. It is the cost of carrying these surpluses.

Responsibility for the current lack of balance belongs to all Americans—not just farmers. And the developments of 8 years cannot be reversed overnight, and in the national interest an immediate reversal should not be attempted.

The legislation proposed for feed grains and wheat programs provides for transition toward balance, not a plunge. It provides for a sharing of responsibility for supply adjustment among producers, with a sharing of diversion payments to help cushion the transition, along with supported prices—hinged, of course, to their approval of all such processes in a referendum.

Madam President, the referendum I refer to is one that will be conducted throughout the land on programs of supply and management, and if two-thirds of the farm producers of a commodity approve a program, then, and only then, does it become operative. In other words, the program will be designed to meet the needs of the Nation, the economic requirements of the producers, and the needs and the economic requirements of the consumers.

Above all, it will be a program that will go into effect only when an overwhelming majority of the producers agree to it. It will be a program that will be self-imposed by farm producers. What Congress does is authorize this type of referendum.

With these programs it is estimated that Government stocks of corn and grain sorghum could be reduced to around 1.1 billion bushels by the end of the 1966 marketing year, while wheat stocks in Government hands were being reduced to 655 million bushels. We would still have substantial reserve supplies in the Commodity Credit Corporation inventory, while carrying charges were dropping to \$280 million a year as compared with the current \$1 billion a year.

Madam President, I repeat what I said earlier. I want to see adequate supplies of food and fiber produced, but I also want to have the cost of the program reduced, so the taxpayers of this country will not rise up and revolt against an uncontrolled, poorly managed, and unlimited program of agricultural assistance.

The President of the United States has been trying to make this clear. He is a friend of agriculture. The Secretary of Agriculture is a friend of agriculture. He is a friend of farm producers. He is a farmers' Secretary.

But, Madam President, it has been said that unless some reasonable balance and restraint can be brought into this program, we run the risk of having no program, because of a disgusted and discouraged American public.

Now I wish to say a word about the necessity of adequate reserves. The Secretary of Agriculture, in talking about our abundance, said:

In every case, the balance would be sought in terms of maximum use of our abundance of food and fiber, both at home and abroad.

It is my deep conviction that this Nation can live up to its moral obligations and its leadership responsibilities only if we do our utmost to see that no one in the United States lacks a nutritionally adequate diet, and to make maximum effective use of our abundant agricultural productivity to relieve suffering and promote economic development abroad.

This past year has witnessed a notable expansion of programs for increased utilization of food.

Eighty-five thousand schools, child care centers and camps are receiving more fresh milk than ever before. Eight hundred thousand more children enjoy a hot school lunch. Both the quantity and the variety of food distributed to more than 6 million needy persons has been stepped up. A pilot food stamp program in eight communities has brought such encouraging results that its expansion in a further trial period is justified and will be carried out.

I digress to remind the Senate of the fight we had about that proposal in 1958. I led the fight in the Senate for a food stamp plan. Finally we were able to get a trial pilot plan. That program works. It is a success. One of the pilot projects is in my home State of Minnesota. Others are in Michigan, Pennsylvania, West Virginia, and other States. The report on the food stamp program is encouraging.

The Secretary of Agriculture went on to say:

We have likewise expanded our use of food in the foreign aid program under Public Law 480. Last year the Congress passed amendments extending and improving that act. In order that our food-for-peace program can be made even more effective, the bill provides for further changes that will enable us to make greater use of the abundant production of our farms for the development of future markets for U.S. farm commodities and in support of our overall foreign aid program.

So this Senator, together with the Secretary of Agriculture, is not advocating a program of scarcity. We are advocating a program of maximum wise use of our production and of our abundance.

I will send to the desk, to be printed, an amendment which I shall ask to have incorporated in the text of the proposed legislation. It will outline and describe what is meant by commodity reserves. I speak of a program to determine and maintain stocks of farm commodities in quantities and in locations needed as an integral part of the

supply management program. I shall, at the appropriate time, when the amendments are called up, address myself to the objectives of the commodity reserve program.

The purpose of the amendment is to protect against fluctuation, to protect against unusual, unexpected swings in demand as a result of international tension, famine, or disaster, and to try to provide for defense needs. The proper management of these stocks requires that the Department have additional flexibility in acquiring farm commodities, since the reserve needs vary from time to time.

The Department of Agriculture, in its report entitled "Food and Agriculture—A Program for the 1960's," makes the following statement:

The Department proposes to maintain a continuous review of production and demand conditions and to determine periodically desirable public reserve levels for the major commodities. These would enter into acreage allotment considerations and would be a guide to safe limits to reductions in public stocks, as well as indicating commodities for which carryovers should be increased. The feed grain and wheat program outlined earlier would bring carryovers approximately to needed reserve levels by 1967. Preliminary studies indicate that current stocks are now far above reserve needs for these commodities and for dairy products.

I have a feeling, from what I have heard in the debate, that some Senators will say that the Ellender amendments, the administration's farm program, endanger supplies, or the availability of supplies, for the food-for-peace program and for the national security reserves, in the kind of troubled world in which we live. This is not so. In order to make positively certain that such will not be the case, I will submit an amendment which, at the appropriate time, I shall call up. It will provide for what we call our needed food reserves.

I have been concerned about this subject for a long time, because the Agricultural Act of 1956 requires that the Department of Agriculture operate its price support programs to liquidate its stocks as rapidly as possible. That amendment, enacted back in 1956, if strictly interpreted could leave our security reserves nonexistent. We now have an abundance of evidence indicating that current stocks of food in the United States, as I have said earlier this afternoon, are larger than necessary to meet any conceivable emergency, including crop failure, as well as sharply increased needs. We also have evidence that the maintenance of such large stocks is an unnecessary financial burden on the taxpayer that offers no corresponding benefit to the farmer. We ought to be considering programs, and we are considering programs, which would reduce these stocks and the accompanying high costs, and at the same time maintain farm income.

As these programs go into operation, the time will come when we must decide what are the minimum necessary reserves of food that should be maintained. I think that time has come now; in fact,



I have thought so for some time, and have submitted amendments for that purpose.

Our present abundance of food and fiber has been acquired through the operation of price support programs which were designed primarily to increase farm income. In most cases, the quantities of food and fiber in Commodity Credit Corporation stocks bear little relation to actual or anticipated requirements. We should examine now our needs for food reserves and the ability of the U.S. farmer to meet these needs. I have preliminary estimates of food reserve requirements.

These estimates are based upon an analysis of reserve needs by the following categories: first, a defense reserve; second, a reserve for price stabilization; third, a reserve for food distribution programs both domestic and foreign; and, fourth, a reserve for commercial market requirements to maintain at all times an abundance of food for the American consumer.

These estimates referred to are based upon conceivable needs for food stocks assuming that we may some day expect a very poor crop year in the United States that could be preceded or followed by a moderately poor year.

This is not a ridiculous assumption. Other nations have experienced poor crop years as a result of drought and bad weather. We in this country have been blessed for the past 10 or 15 years, on a national basis, with reasonably good weather. But every old-timer knows—and we always hear from the old-timers—that there are seasonal fluctuations and weather cycles. We can have every reason to expect that we might ourselves be the victim of such an adverse weather cycle.

A very poor crop is taken as one typical of the worst 5 individual years out of the last six decades. These estimates do take into consideration the possibility of sharply increased emergency needs in particular areas of the world. At the same time, however, the estimates recognize that the food-for-peace pipeline to many countries is relatively full, and could be relaxed slightly for short periods of time, to meet emergency needs elsewhere.

I call attention to the following table:

*Recent carryovers, compared with needed stocks, selected agricultural commodities*

Crop	Unit	Carry-over, end of marketing year 1960-61 <sup>1</sup>	Goals for total stocks <sup>2</sup>
Wheat.....	Million bushels.....	1,411.0	600.0
Rice, rough...	Million hundred-weight.....	10.0	11.0
Cotton, all.....	Thousand bales.....	7,200.0	6,200.0
Peanuts.....	Million pounds.....	367.0	450.0
Feed grains.....	Million tons.....	84.0	40.0
Soybeans.....	Million bushels.....	6.0	100.0
Sugar.....	Million tons.....	1.7	2.3
Nonfat dry milk.....	Million pounds.....	305.0	300.0
Butter.....	do.....	116.0	100.0

<sup>1</sup> Calendar year for dairy products. Annual average for sugar.

<sup>2</sup> Public and private.

<sup>3</sup> Distributors' stocks in December 1961 were about 2.3 million tons.

<sup>4</sup> On May 1, 1962, stocks were 318 million pounds.

Needed reserves for wheat are estimated at about 600 million bushels, which is a quantity less than half of recent carryover levels. As a matter of fact, I believe that is a very modest figure, and it might very well be increased. A reasonable goal for feed grains is indicated at 40 million tons, compared with 84 million tons at the beginning of the current year. Stocks of feed grains are particularly large, in relation to conceivable food-for-peace outlets. In value terms, about one-third of total U.S. reserves of agricultural products are now in the form of feed grains. On the other hand, we can expect in the next few years a maximum of only 15 to 20 percent of our food-for-peace commodities to be programed in the form of feed grains both for direct human consumption and for animal feeding. It thus appears that public funds appropriated to maintain the present level of stocks of feed grains would serve no public purpose.

Let me emphasize that these are preliminary estimates of required stocks of agricultural products. However, this is a matter of greatest national and international importance. It is a subject that demands further study and evaluation at the highest levels of public service. What are the criteria that should be used in evaluating the various categories of potential food needs and the probabilities that these needs can be met either from current production or from stocks accumulated at Government expense? I believe it is essential that we provide for a public Commission responsible to the President, and reporting through him to the Congress, to study this whole subject of necessary reserves of food. This Commission can greatly assist the Congress in establishing legislative guidelines to the Secretary of Agriculture on the management of supplies in the national interest and in the interest of the free people of all nations. The Commission I propose is not one which would be manipulated by any special interest group; it is not one which would be composed of only farmers or departmental employees. It would be a public Commission to study the need for certain strategic reserves for the purposes declared.

Assuming, for the moment, that such a Commission might reach conclusions similar to those set forth in the table to which I have referred just now, what would be the cost involved? At present, the Commodity Credit Corporation expenditures for carrying charges are running in excess of \$1 billion a year. If we find that necessary reserves are, on the average, about one-half of present stock levels, it would still cost about \$500 million a year to maintain and rotate these stocks. But this expenditure would serve the public interest, by guaranteeing the availability of food for domestic emergencies and priority food for peace programs.

Inherent in the health of a society is its concern for natural resources—for their conservation, and their utilization.

We have long familiarity with, and a rather respectable record for, the conservation of soil and water, for future

use. We have a growing need to conserve them and use them simultaneously—use them for healthful, outdoor recreation and use them to grow wildlife and fish. As the urban populations increase, the need for grass and for trees and for flowers and for accessible lakes and streams grows, as well—and the public supply is running short of the public need.

I know that this part of the farm bill has taken a certain amount of journalistic "razzing"; but let me say to those who poke fun at such uses that with the vast growth of urban areas, the great growth of the population, and the wall of steel which we call the automobile, which extends from one end of the country to the other, the need for recreational areas, open spaces, and places for wholesome outdoor recreation will increase; and surely the only source of such land is rural America. Therefore, this program takes note of this need, and provides a way to assure healthful outdoor recreation and all it means.

Just as we have both free and for-pay indoor entertainment and recreation, we can have free and paid-for outdoor recreation.

The legislation before us recognizes this potential, in providing at least a start toward making both loans and technical assistance available to individuals and public bodies for recreational facilities.

Just as voluntary supply-management programs tend to bring a dropoff in participation prior to the achievement of the objectives, a program calling for compulsory management involves a risk. Farmers voting in the referendum could terminate collective-bargaining agreements with government.

I have never subscribed to the theory the farmer does not need the cooperation of an understanding and appreciative government. The very nature of the family farm and the marketing system under which farmers must function require this cooperation in terms of price, of credit, of services, and in fair distribution of the responsibility for soil and water conservation.

Such cooperation is never a subsidy. It is an investment in the general welfare for today and tomorrow. It could be terminated—and perhaps I would find it difficult to concede to farm families a right that must in all honesty be conceded—namely, the right to be wrong.

Yet, in fairness to all of our society, and in realization that we must explore new ways of doing things in a complex and changing nation and world, I must accept the fact the time is here for clear-cut decision on farm policy.

We must redefine the terms of relationship; and we must also, as I have said before, in an address to the Senate, redefine what we mean by adequate farm credit, because this, too, is a part of the legislation which is before us.

I am confident that our farmers have the intellectual, economic, moral, and political courage to help write the definition.

## FARMERS HOME ADMINISTRATION

Under the insured loan program, private investors provide funds to help eligible farmers enlarge, develop, and buy family farms, to refinance debts, and to develop community water systems. The loans are made and serviced by the Farmers Home Administration.

The Government collects the principal and interest payments, when due, and forwards the receipts to the lenders, after retaining one-half of 1 percent for insurance. The lenders agree to hold the notes for at least 3 years. If the borrowers default, the Government agrees to make the payments. The loans return 4.5 percent to the lender, and the farmers pay 5 percent interest. Principal investors are banks, pension funds, insurance companies, and trust funds.

The insured loan program was started in 1947. Since that date, more than \$390 million has been invested. The repayments of principal have totaled more than \$100 million. The losses have amounted to less than one-tenth of 1 percent.

Applications for insured loans are made at the county offices of the Farmers Home Administration; and supervision in farm management is provided by the FHA. Insured loans are made only when a farmer is unable, from other sources, to obtain the credit he needs. The insured-loan program has many merits. The farmers who receive the loans are able to strengthen their operations. The rural communities in which the loans are made are fortified, not only by the improvements made with the loans, but also with the increased trade that is brought about by the expenditure of the loan funds. In addition, the use of insured funds, rather than appropriated funds, lessens the strain on the U.S. Treasury.

The current difficulty lies in the ceiling that is set on the amount of insured loans that may be made in a fiscal year. Currently, this ceiling for farm ownership and soil and water conservation loans is \$150 million. The demand for insured loans is so great that the ceiling was reached on May 11 of this year. In the next fiscal year, because of the large number of unfilled applications currently on hand, and because the demand for this type of credit will continue, and perhaps will intensify, the ceiling will be reached by December 31.

Nearly 20,000 applications for these loans were on hand in Farmers Home Administration offices on March 31. The number of applications for farm ownership loans during the first 9 months of the present fiscal year increased 16 percent over the same period in the previous year.

The rising demand comes from young farmers who have bought farms on terms they could not handle, and who need to have their debts refinanced on more manageable terms adapted to their ability to repay; and the rising demand also comes from small farmers who are seeking to enlarge their holdings, from farmers and rural residents who need to develop a clean, fresh water supply for household use, and from family

farmers who are developing and improving their farms and farm homes, to keep pace with the changing times.

For the past several months, insured loans were committed at a rate of \$25 million monthly, or \$300 million annually.

In my opinion, the ceiling for the amount of insured loans that can be made in one fiscal year should be raised to \$300 million; and I have at the desk an amendment—which at the proper time I shall call up—to accomplish this objective.

The funds are available. One of the most progressive of our labor unions has offered to invest \$100 million in these loans over a 4-year period. The funds of this organization, as well as those of the banks and other lenders that are investing in insured farm loans, will be diverted to other markets, unless prompt action is taken. My amendment does not provide for the appropriation of more funds. It provides that there shall be insured loans up to the amount of \$300 million. Those loans will not cost money; instead, they will make money. What a wonderful business—to loan money; it is one sure way to make money.

The need is apparent. Unless action is promptly taken, thousands of family farmers will be deprived of the credit they need if they are to continue and to strengthen their operation.

If action in raising the ceiling were to be delayed until the next Congress meets, there would be a period of several months when credit of this type would not be available, and this period would occur at a time of the year when the funds are most needed.

Tomorrow, I shall also offer an amendment which will reconfirm the long-standing policy of the Government of favoring the use by governmental agencies of the usual and customary channels, facilities, and arrangements of trade and commerce, and directing the Secretary of Agriculture and the Commodity Credit Corporation to adopt policies and procedures designed to minimize the acquisition of stocks by the Commodity Credit Corporation; to encourage the orderly marketing of farm commodities through private, competitive trade channels, both cooperative and noncooperative, and to obtain maximum returns in the marketplace for producers and for the Commodity Credit Corporation.

In other words, I want to see the Commodity Credit Corporation be a supplement to the private economy, not supplant it. I want to see the Commodity Credit Corporation work through the normal channels of trade, working with and cooperating with our cooperatives and our private grain trade and agricultural enterprises. I do not want to see the Commodity Credit Corporation take over the business of marketing agricultural commodities. I said this before; and I say it now. There is a normal tendency in government, whenever it gets its hands on a large business operation like the Commodity Credit Corporation, to start to run it, not only as a business, but as the only business.

I repeat that when Mr. Benson was Secretary of Agriculture I stood on the Senate floor and said, "I want to see the Commodity Credit Corporation maintain its operations within the terms of the charter of the Commodity Credit Corporation. I want to see the Commodity Credit Corporation be a supplement to, an aid to, private industry, private trade, to the farmer, to the farmers' cooperatives, to the cooperatives and the noncooperative enterprises. I do not want to see the Commodity Credit Corporation take over the grain business, the dairy business, the cotton business, the tobacco, wool, rice, or any other kind of business. I want to see the Commodity Credit Corporation only as a helping hand—supplementing, not supplanting; aiding, not taking over."

So let these words of warning be on the record, because every once in a while I see something happening that indicates some people cannot differentiate between the words "supplement" and "supplant." "Supplement" means to help others; "supplant" means to take over.

The Agricultural Act of 1949, as amended, and the Agricultural Act of 1938, and other acts, do not provide for the Commodity Credit Corporation to be in the business of agriculture; they provide for the Commodity Credit Corporation's assisting in orderly marketing of agricultural products.

I am confident we can pass good legislation here.

I conclude by commending the members of the committee. The vote on the controversial items was close in the committee.

I personally feel the amendments offered by the distinguished chairman of the committee, who has such a brilliant record of service to American agriculture, are worthy of support. It is my intention to support the wheat and feed grains amendments offered by the Senator from Louisiana [Mr. ELLENDER].

It is my intention to offer amendments relating to insured loans, to the Commodity Credit Corporation and its operations, and also calling upon the Secretary of Agriculture to treat farmer associations as he would treat farm individuals in the operations of the Commodity Credit Corporation.

These and other amendments will be before us. I am confident our farmers under this program can have a better economic future, and I am confident our country, under the amendments being proposed, and under the bill before us, can have a stronger agricultural economy, and that it will enable us to fulfill our duties at the same time.

I am confident our farmers have the intellectual, moral, and political courage to help write the new definition that is required in terms of what our agricultural policies should be for the 1960's.

#### PRINTING OF ADDITIONAL COPIES OF HEARINGS ON REVENUE ACT OF 1962

Mr. HUMPHREY. Madam President, I ask the Chair to lay before the Senate



an amendment of the House of Representatives to Senate Concurrent Resolution 68.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 68) to print additional copies of hearings on the Revenue Act of 1962 which was, in line 3 after "thousand" insert "five hundred".

Mr. HUMPHREY. Madam President, all the amendment does is to increase by 500 copies, to a total of 1,500, the allowance for the printing of additional copies of hearings on the Revenue Act of 1962. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

#### FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. HUMPHREY. I thank the Senator from North Carolina [Mr. JORDAN], for his patience.

While I am on my feet, I wish to thank him for his service to agriculture, not only as a member of the Committee on Agriculture and Forestry of the Senate, but as one who has contributed as a member of this area of our economy and who in his private life is engaged in this field.

Mr. JORDAN. I thank the Senator. I may add that if a Senator has no patience, he had better not be a member of the Committee on Agriculture and Forestry, because being on that committee requires patience.

Madam President, North Carolina has either the largest or the second largest number of small farmers in any one State. There has been some argument as to which State has the largest number of small farmers. At any rate, North Carolina ranks very near the top of the Nation in the number of small farmers and small farms located in any State.

Agriculture is a vital part of the economy of North Carolina. Last year agriculture contributed about \$1,100 million to the economy of our State. So one can readily understand that it is a very important part of our economy.

In the Committee on Agriculture and Forestry, on which I have the pleasure of serving, we have been at grips with this problem for many days. It has given me a great deal of concern. We have spent a great many hours discussing it, and listening to farm leaders, people from our home States, and people from all over the Nation, in an endeavor to work out a farm program that would best deal

with the problems facing us in our farm economy at the present time.

We have come to the point where we must deal effectively with some of the basic problems confronting agriculture or see the disintegration and destruction of our farm economy.

I do not think the Congress has ever had a more difficult or far-reaching domestic problem to solve than the current farm problem. Because of its seriousness and complexities, any solution will of necessity be most difficult to agree upon.

But we have no choice, and I think the reason we have no choice is because too many years have already passed without our coming to grips with a realistic solution.

I would like to say with all sincerity that no man has more completely dedicated himself and his energies to the tedious task of finding a solution than has the chairman of our committee, the senior Senator from Louisiana [Mr. ELLENDER].

I know that he feels, as I feel, that we do not propose a perfect solution. We know there are imperfections in it, but it is the best possible solution and the most realistic one that we have been able to find.

Realizing that we can never get all we want, so to speak, in any legislative measure, I hope the Senate will approve the amendments proposed by Chairman ELLENDER.

Basically, four courses are open to us in dealing with the vast problems we have in grains:

First. We can have no program at all—no price supports and no production controls, and I think everyone will agree that this will lead to chaos in view of the fact that all other segments of our economy are to some extent controlled.

Second. We can have no production controls accompanied by price supports. We have had experience under this type of program and it has resulted in low farm income and unmanageable and burdensome surpluses.

Third. We can continue the voluntary retirement program we now have. Experience under this program has shown very clearly that we take the less productive land out of production at high costs and continue to produce surplus stocks.

Fourth. We can have a program of reasonable production controls and reasonable price supports. These two must go together and we cannot successfully have one without having the other if our farm economy is to prosper without undue burden on the taxpayers.

In considering the proposals before us I think we must of necessity come to the conclusion that we must have production controls if we are to have price supports on grains. The process of elimination and the experience we have had with other approaches to the problem show very clearly that this really is the only course open to us.

Madam President, my remarks are largely confined to the feed grains and the wheat program.

I fully realize that any production control program brings with it its own prob-

lems, but I do not think that they are insurmountable ones.

A great deal has been said in my State and in other Southeastern States about the need to leave farmers plenty of elbow room to diversify their operations. I agree wholeheartedly that this must be done insofar as humanly possible, not only in my area but in all areas of the United States.

North Carolina is classified as a deficit feed grain State—our production of feed grains is far less than our consumption. I think the facts will show that we in North Carolina have had bitter experience under programs that let production go unlimited with low price supports and programs of voluntary land retirement.

When we have had programs of unlimited production with low price supports our farmers have not been able to compete, and when we have had programs of voluntary retirement our production has dropped to the point that we had to pay excessive prices to bring needed grain into the State.

In the past year, under the present voluntary program, over 600,000 acres were taken out of production of corn and feed grains in North Carolina. That has helped to reduce the surplus stocks in storage very little, but at the same time it has cut down the availability of feed grains which are needed in our State. Therefore, it has been necessary to bring in feed grains from other parts of the country at extremely high freight rates. That has been a high penalty to be paid by the livestock producers, the hog producers, the chicken producers, and all others who must purchase feed grains.

The same thing happened this year in respect to wheat production. I believe North Carolina acreage is at the lowest point in our history. There will be fewer acres of land planted to wheat this year in our State than at any time in the history of the program, since statistics have been kept.

Although the voluntary program has brought a certain amount of income to a great many of our farmers, which is a good thing, on the other hand it has cut the production of feed grains and wheat, so badly needed in our own State. Our livestock production, hog production, chicken production, and other production needs to expand, and if it is to do so there must be a larger proportion of the needed feed grains grown in our State than is now grown under the voluntary program.

Judging from the best information I can obtain, under the mandatory program which is proposed there is a provision in the Ellender amendment that a deficit area such as ours will be taken care of by the Secretary of Agriculture when he finds the area is in a deficit position. That will be an improvement. The Secretary, I understand, has the discretion and power to give some leeway in that regard.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. HUMPHREY. I am happy that the Senator from North Carolina is bringing out that point. As can be seen

from the tenor of the debate in the Senate, it is not well understood.

There is a helpful protective feature in the Ellender amendment, which has the support of the administration. The feature is that if an area has a serious feed deficit, which would impede the normal economic agricultural development of the area, the Secretary would have the discretion to permit plantings for the purpose of feeding on the farm the animals and poultry necessary for a balanced farm operation and the economic growth of the area. Is that not correct?

Mr. JORDAN. I appreciate the Senator's comment. If this provision were not in the amendment I could not support it.

Mr. HUMPHREY. I understand.

Mr. JORDAN. Otherwise there would be a hamstringing of the production of livestock, poultry, other products in our State. We badly need to expand, rather than to contract.

Mr. MILLER. Madam President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. MILLER. In that connection, does the Senator imply that the Secretary of Agriculture would use the discretion in a manner which he believed would take care of the problem?

Mr. JORDAN. To begin with, if the program is adopted there will be more acres under production than would be under production under the voluntary program under which we are now working.

In addition, in answer to the Senator's question, the bill points out the necessity for taking care of the deficit areas. The Secretary could, and he should—and I think he would—make allowances for those areas. Those areas include the entire eastern seaboard.

None of our eastern seaboard States produces sufficient feed grains for local use.

This was the section of the bill for which I held out in the committee. It was finally adopted. Under this provision the ensilage which is raised on the farm and fed on the farm is to be exempted from the quotas. The dairy farmers to a large extent have big silos and store their ensilage. There is also the question of the feeding of cattle. Those are the two main points.

That provision in the amendment makes a vast difference in the amount of feed a farmer can produce for consumption on his own farm.

Mr. MILLER. I say to my good friend from North Carolina that I do not have too much difficulty with that point. However, when I heard the colloquy between the Senator and my friend from Minnesota [Mr. HUMPHREY], which indicated to me that we might be opening up a program under which the Secretary of Agriculture would have unbridled discretion to reduce production which normally would occur in the State of Minnesota or in the State of Iowa, and to permit some other area, at his discretion, to make up the difference, I began to wonder about it.

Mr. HUMPHREY. Madam President, will the Senator yield, to permit me to make a comment on this point?

Mr. JORDAN. I yield.

Mr. HUMPHREY. I know the Senator does not wish to misinterpret my remarks. We have a sufficient amount of trouble trying to explain a complicated piece of legislation, without becoming involved in an unnecessary misunderstanding.

Under no circumstances would the Secretary alter the 1959-60 base. I believe that is correct.

Mr. JORDAN. That is correct.

Mr. HUMPHREY. There is a provision in the amendment, in section 360k, as follows:

Notwithstanding any other provision of this part, in any area (county, State, or region) in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm.

Mr. JORDAN. That refers to 1959-60.

Mr. HUMPHREY. That is included in the act.

Mr. JORDAN. That is included in the act. The Secretary could not go above the 1959-60 farm base acreage. If the amendment were not agreed to, the Secretary could cut the acreage 10 percent, 12 percent, or whatever might be applicable, across the board.

Mr. HUMPHREY. It is a safety valve.

Mr. JORDAN. It is a safety valve, as the Senator has pointed out, in which the quota of 1959-60 is the average.

Mr. HUMPHREY. I recognize that the Senator from Iowa has a legitimate concern. Coming from a corn and feed grain producing area, I would have one, too. His question is, If there were to be some exemptions and exceptions given to an area such as North Carolina, would such exceptions cut into business in our part of the country? Would we in turn be required to compensate? The answer is "No"; we would not have to compensate.

Mr. JORDAN. The Senator is entirely correct.

Mr. MILLER. I should like to ask the Senator from Minnesota whether or not there is a possibility of cutting into our business under the provision for commercial areas.

Mr. HUMPHREY. No; it is my understanding that there is no such possibility.

Mr. JORDAN. No authority is provided in the bill for cutting into commercial areas.

Mr. MILLER. There may be areas that are exempted from the definition of a commercial area, may there not?

Mr. HUMPHREY. The Senator is correct.

Mr. MILLER. If that is so, do I correctly understand that the exempted areas would be called deficit areas?

Mr. JORDAN. The Secretary would have to define them as deficit areas.

Mr. HUMPHREY. Only if they were deficit areas.

Mr. JORDAN. If in the previous year they did not produce enough feed of whatever description to take care of the domestic needs of the past year, and the result was a substantial price differential.

Mr. HUMPHREY. The criteria are listed, as I pointed out, in the Ellender amendment designated "5-21-62-A." On page 24 of the amendment the definition of a deficit area is laid down explicitly.

Mr. MILLER. I wish to ask another question. I understood the Senator from Minnesota to say that the definition is explicit.

Mr. HUMPHREY. Yes.

Mr. MILLER. What concerns me is how to interpret some of the words that are in the definition. For example, the words "would result in a hardship to producers" appear. In the next line, the words "unduly increase the price of feed grains" appear. As I understand, that would be up to the length of the foot of the Secretary of Agriculture. It seems to me that we might be a little more explicit than to use such words as "hardship" and "unduly."

Mr. HUMPHREY. It is very difficult to find words that are more revealing than good judgment. By the way, it is not a section which I added to the bill, but it was added by committee members and is contained in the regular bill. If I am not mistaken, at least it was proposed and discussed in the committee.

Mr. MILLER. It is my understanding that it is not in the regular bill now.

Mr. HUMPHREY. At least I know it was discussed in the committee. I am no longer a member of the committee. I know that the deficit area concept was discussed at some length by members of the committee.

Mr. JORDAN. A great deal of discussion about that very portion of the bill took place. We tried to arrive at some provision that would not disrupt the entire national program, but would offer some relief to deficit areas such as North Carolina, South Carolina, Georgia, Florida, Louisiana, and Mississippi. Those areas are deficit areas.

I will state a specific instance. During the past year corn went to \$1.43 a bushel in North Carolina. The Secretary of Agriculture used his authority to move grain out of Government storage into that area.

Mr. HUMPHREY. Under section 22.

Mr. JORDAN. Under section 22, under the lower freight rate provision. Grain was brought to North Carolina, bringing the price down to a price little higher, of course, but comparable to the price in the area in which the grain was produced.

Mr. HUMPHREY. In our part of the country we did not like that one bit.

Mr. JORDAN. I heard that.

Mr. HUMPHREY. The rumor got through to the Senator, I am sure. In case the Senator did not know it, I want him to know that despite my great friendship, respect, and affection for him, I protested as vigorously as I could but to no avail. That indicates the



great control I have over the Department. But I believe the provision which the Senator has worked out would alleviate part of the problem. Some of us in our part of the country have felt there was discriminatory action on the part of the Commodity Credit Corporation, and also in getting a special ruling through the Interstate Commerce Commission to cut sharply freight rates for the Commodity Credit Corporation but not for our private grain trade and our cooperatives. That is what I was complaining about at the time.

That section would permit the individual farm producer, so long as he does not violate his base and so long as he is not permitted to participate in a referendum on quotas—which is another provision—to grow a certain amount of feed grain in the area if there is hardship in the area due to a deficit of feed grains. I think that is a more equitable provision than competing with a private market and using the Commodity Credit Corporation as a sort of big business operation against the rest of the agricultural economy.

Mr. MILLER. On that point, the Senator from Minnesota was joined by the Senator from Iowa in his concern about the shipment of Commodity Credit Corporation grain out of Iowa elevators into some of those areas. But at the same time I fail to understand how that would improve the situation. I see nothing in the definition of "deficit areas" which would tie down the unlimited discretion of the Secretary of Agriculture. When we speak of hardship, what is hardship in our minds may be different from what is hardship in the mind of the Secretary of Agriculture. What are normal farming practices? I defy anyone to define what a normal farming practice is so that every Senator would be satisfied.

I am also satisfied that we might nail the definition down a little more explicitly so as not to turn over unlimited discretion to the Secretary of Agriculture. That is a practical problem. I am sure that when the Senator from Minnesota and I were faced with the transfer of stocks, and we went to the Department of Agriculture to try to obtain some relief for our grain elevator people, we were told that it was just too bad. The decision had been made under the discretion which the Secretary of Agriculture had been previously given by the Congress.

What I am concerned about is that we continue to do the same thing under the "deficit area" definition.

I hope my friend from North Carolina realizes that we want to be reasonable. I venture to say that the Senator from North Carolina and the Senator from Iowa would have no difficulty in getting together on what is a deficit area so that there would be a reasonable interpretation of that term.

Mr. HUMPHREY. That is the point.

Mr. MILLER. I must say that after some of the things that have occurred in the Department of Agriculture—and I am pleased to know that my friend from Minnesota has not always been satisfied with what has happened over there—I am not happy to turn over more discre-

tion to the Secretary of Agriculture. I would rather see the provision tied down a little more.

Mr. JORDAN. I thoroughly agree with the Senator. A great many decisions have been made in the Department with which I was not happy. I was not happy with a decision this week about certain phases of the tobacco program. Many farmers in my State were not happy about it. But I shall be glad to discuss the question with the chairman of the committee, and if we can tie down the definition in a reasonable manner, I shall be happy to see it done.

I should like to see as many guidelines put in the bill as possible in order to make it the kind of bill I would like to have enacted. As I said in the beginning, I am not entirely satisfied with the bill, but we had to accept the best bill upon which we could agree. I think we must pass a feed grain and wheat bill this year or the entire program will go by default. It will not be too long, I am afraid.

Mr. MILLER. I recognize that the Senator from North Carolina has a problem. If I were in his position, I would be fighting to see that that problem is taken care of. He has a problem, as do the Senator from Minnesota and the Senator from Iowa, in protecting the interests of the people they represent.

Mr. JORDAN. There is no question about that.

Mr. MILLER. It seems to me that reasonable people can get together. But I think that reasonable people in the legislative branch of the Government ought to get together instead of leaving it to the discretion of those in the Department of Agriculture. That is what the Senator from Iowa is advocating.

Mr. HUMPHREY. I assure the Senator that I shall work with him. The Senator knows that our area is not a feed surplus area. The price of feed is important to the economy of our area, and even more so in the State of Iowa. Southern Minnesota and the State of Iowa have production purposes that are pretty much alike. I feel that we could tie the language down more explicitly. I assure the Senator that in the discussion tomorrow and prior to the vote on the amendment, I shall do what I can to work with the Senator from Louisiana and the Senator from North Carolina to see if we can improve the language and lay down more definite criteria.

I believe the Senator would be interested in another amendment that I have which would circumscribe the operations of the Commodity Credit Corporation, so that it does not go springing off into the southeast and northeast and acting as though it was the business of agriculture. I will submit my amendment to the Senator from Iowa. If I can get his help, we may be successful.

Mr. JORDAN. I believe that the biggest complaint with respect to the transferring we were discussing came from the men who own the grain elevators.

Mr. HUMPHREY. Of course. Those men were losing business. It meant a great deal to them.

Mr. JORDAN. The farmer who had the product there was not getting \$1 out of it.

Mr. HUMPHREY. This problem is not insurmountable. I can understand the concern of the Senator from North Carolina. I believe that the advances which have been made in his State in the field of improved agriculture are some of the finest that have been made in the Nation. The work that has been done there can almost serve as a model of what can be done to revitalize the agricultural economy. The Senator will get my cooperation.

Mr. JORDAN. I appreciate those remarks very much. I am very glad that I can agree with him. My predecessor, former Senator Scott, when he was Commissioner of Agriculture in North Carolina, started a program of diversification. Our farmers could not live on peanuts, tobacco, and cotton. Those were the principal crops in our State. He started preaching dairying. It has moved up to the place now where we are almost self-sufficient in our dairy consumption. What we do not want to do is lose the advances that we have made thus far in the dairy and cattle production. We have made great progress in those fields. We do not want to slip back under a program under which we cannot live.

Mr. HUMPHREY. It would be very easy for any Member of the Senate to plead the cause of his own particular area. For example, for many years Minnesota has been a feed grain producing State. It has been one of the largest producers of barley, rye, oats, and corn. However, some big changes have been taking place. Soybeans are becoming one of the big cash crops. Poultry and turkey production is becoming as big an industry as feed grain production, or if not bigger.

That is the point I have been trying to make in the message I gave the Senate today. We have reached the place in agriculture where we need to take a new look at our laws relating to agriculture, because the agriculture of the 1960's is not the agriculture of the 1940's.

Mr. JORDAN. The same thing is happening in North Carolina. We are now second or third in the production of broilers.

Mr. HUMPHREY. Yes. Twenty years ago it was little or nothing in the Senator's State.

Mr. JORDAN. Commercially, it was practically nothing.

Mr. HUMPHREY. It seems to me what we have to do with respect to this problem is to provide in the program some remedial authority so that we can adjust our production and our quotas and allotments to meet the needs of a changing agricultural economy. That is why I believe some flexibility is required in the law.

While I can understand that a provision such as the Senator has referred to, relating to feed deficit areas, might seem at first glance to be detrimental to feed producing areas which have surplus production, it is not in fact detrimental. It will be successful if properly worded and administered, and will be an advantage to North Carolina and Minnesota and Iowa and every other part of the Nation.

Mr. JORDAN. There are those provisions under the Ellender proposal which I feel sure will give farmers in the

Southeast plenty of elbowroom for their future operations. They are the provisions dealing with silage, the provisions dealing with the small farm exemption, and the provisions dealing with the deficit area problems.

Under the present program, our feed grain production in North Carolina is about 30 percent under the 1959-60 base period. Under a mandatory program, I am sure the reduction would be far less than 20 percent of the 1959-60 base period.

I think it should be remembered that even though we know such a program as a mandatory program, it is not mandatory at all unless the two-thirds of the farmers themselves vote to invoke mandatory controls.

Through the years we have developed sound and effective mandatory programs to control the production and prices of tobacco, cotton, peanuts, and rice, and I think the facts will show that well over 90 percent of the farmers producing these commodities repeatedly vote to continue the mandatory type program. The programs we have in these four basic commodities have not come to us easily, and neither will similar programs come to us easily in wheat and the feed grains, but we have reached the point where we must make a start if we have any hope of preserving any of our programs, and I think the Ellender proposals are the best possible starting point.

Madam President, North Carolina is one of the largest tobacco-producing States, if not the largest. Our peanut production is a large cash income crop in North Carolina. Cotton is a vital part of our farm economy. Those three commodities are under price control and acreage control. In my best judgment, if wheat and feed grains are not controlled in similar fashion, and we continue the terrific losses that are mounting with respect to carrying these products in storage, sooner or later the whole farm program will collapse, and with the collapse will go the controls that we have, and chaos will develop in the whole farm program.

This is not a perfect program. It does not suit me in its entirety. It does not suit my farmers in its entirety. However, so far as I can see, it is the best solution that we can make at the present time.

I hope we can pass the bill. If it can be improved by amendments, I will be glad to support them.

#### ADDRESSES BY THE SECRETARY OF THE TREASURY

Mr. CLARK. Madam President, I ask unanimous consent that two recent speeches by Secretary of the Treasury Douglas Dillon be included in the Record.

The first was presented before the American Bankers Association at Rome, Italy, on May 18, 1962. Secretary Dillon analysed the balance of payments posture of the United States. This comprehensive and illuminating coverage of the subject should be recommended reading for all of us. In the second speech given, I am happy to say, at the University of Pennsylvania on May 21, 1962, Secretary

Dillon emphasized the importance of the average individual in influencing public policy.

It gives me great pleasure to present these two speeches.

There being no objection, the addresses were ordered to be printed in the Record, as follows:

REMARKS OF THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY, AT THE NINTH ANNUAL MONETARY CONFERENCE OF THE AMERICAN BANKERS ASSOCIATION, ROME, ITALY, MAY 18, 1962

I am delighted to join with you in this ninth annual monetary conference, which has brought together so many of those who, as public officials or private citizens, share responsibility for the financial policies of the free world. Our common objective of a durable international payments system, capable of supporting and nourishing economic growth and expanded trade, cannot be achieved by nations working in isolation. Lasting progress depends upon concerted action by all of our governments and by labor, business, and finance within each country. Such cooperation can flourish only in an atmosphere of frank discussion—the sort of atmosphere provided by this meeting. The opportunity which we Americans have had to meet in such pleasant surroundings with our eminent European colleagues has been most useful in giving us a clearer appreciation of our common problems. I am thankful to the American Bankers Association and to our Italian hosts for making this possible.

The free world's monetary system, as it has evolved since World War II, rests inescapably on the full acceptability of the dollar as a supplement to gold in financing world trade. No practicable alternative is in sight. This means that the dollar holdings of central banks must continue, in the future as in the past, to be readily convertible into gold upon demand at the fixed price of \$35 an ounce.

It further means that all of us—every nation with a stake in a stable international financial mechanism—have a strong interest in the elimination of the lingering U.S. payments deficit.

The chief responsibility for righting that deficit rests, of course, with the United States. We recognize this responsibility, and we are prepared to do what is necessary to eliminate the deficit and to preserve the value of the dollar. But the nature of the eventual solution—and the speed with which it is reached—also depends upon the degree to which the surplus countries of Western Europe accept a complementary responsibility.

Recognition of the need for coordinated, cooperative action has been apparent in many areas over the past year. This provides solid ground for confidence as we look ahead. Nevertheless, much remains to be done. And this is nowhere more true than in one area of direct concern to everyone in this room: The arrangements for raising and distributing credit and capital in world markets. Potential investment funds are still too often dammed up behind national boundaries by legal restrictions or institutional barriers—even when any need for these restrictions has long since passed. Capital does not—as it should—flow freely from those with ample resources to the points of greatest need. Benefits and burdens often bear little relationship to current patterns of trade or to the underlying payments position of a country.

This is reflected in the fact that most governments or businesses, when raising funds outside their own country, still look to the United States as the only readily available source. Conversely, American investors, unlike those in most other countries, have both the facilities and freedom to place their

funds abroad without restriction, on a basis comparable to—and sometimes even more favorable than—domestic investment.

These conditions are an anomaly in a world of convertible currencies—a world in which barriers to trade have been steadily reduced—a world characterized by American deficits and European surpluses. I am not suggesting that the United States, as the richest and most productive nation on earth, should cease to export capital. Nor do I suggest that action to free the flow of investment funds from other countries would relieve the United States of its responsibilities for vigorous and effective action in other directions to reduce its payments deficit. But progress toward a broader, more fluid international market for capital does seem to me to be an essential part of our American effort to achieve and sustain international payments equilibrium. At the same time, more effective means of mobilizing the huge potential for savings implicit in the dramatic economic expansion of Western Europe must be developed if Europe is to fulfill its hopes for continued rapid economic growth in the years ahead.

Western Europe is in a period of economic growth that can and should lead to standards of living comparable to those in the United States. But we in the United States would not have been able to achieve our present standard without the development of a capital market whose breadth and flexibility remain unparalleled. The plain fact is that Western Europe will not be able to approach the American standard of living until it develops ways and means of mobilizing its own extensive savings and capital that are fully as effective as those of the New York market. This is an area where the interests of the United States and Western Europe coincide completely. Western European economic growth will require an enormous mobilization of capital. Because of balance-of-payments realities, as well as our own competing domestic needs, the amount of capital that we will be able to furnish is simply not enough to go around. If Europe is to have adequate funds for the expansion that is now within its grasp, it must develop up-to-date mechanisms to mobilize its own capital resources—mechanisms that do not exist today in most of continental Europe.

To return to our balance of payments and to put it into proper perspective, let me review the broad strategy that lies behind all of our efforts to restore a balance in our international accounts.

As you know, spending for the defense and economic support of the free world imposes a uniquely heavy burden on the U.S. balance of payments. The annual dollar cost of our defense expenditures overseas has been roughly \$3 billion in recent years, substantially more than our average basic payments deficit. I would like to emphasize that the \$3 billion figure is the balance-of-payments impact—not the budgetary cost to the United States, which is several times higher.

Approximately \$2 billion of this is spent in NATO countries. Our dollar costs for defense are heaviest in Germany, where they amount to about \$730 million a year. In France, they are more than \$300 million per year; in the United Kingdom about \$250 million, and in Italy, about \$100 million.

These expenditures represent the dollar cost of maintaining U.S. forces overseas, and the heavy expenditures in NATO countries result from the fact that our largest overseas troop deployments are here in the NATO area.

There can be no doubt of the necessity to maintain large U.S. forces overseas for our own security, for that of our NATO allies, and for the entire free world. Nor can there be any doubt of our firm determination to meet in full our responsibilities for the defense of NATO and the free world. As



President Kennedy has stated, the United States is prepared to make any sacrifice necessary for free world security. We are prepared to maintain fully effective military forces overseas—wherever necessary and for as long as needed. Even as we meet today, American troops are deploying in Thailand in response to a request for assistance by the Royal Thai Government as a result of renewed Communist aggression in Laos. But at the same time that we fulfill these military responsibilities we must exercise all prudence to insure that the adverse impact on our balance of payments is minimized.

The United States must trim all nonessential foreign exchange expenditures from its defense programs. Therefore, we are emphasizing U.S., rather than foreign, procurement. We are economizing in manpower wherever possible without loss of military strength and we are encouraging our forces to hold down the level of their personal expenditures overseas. But this can only accomplish a relatively small part of the job.

More important is our effort to work out arrangements in cooperation with our NATO allies for offsetting our defense expenditures by increasing their procurement of military equipment and services from the United States. This not only assists the U.S. balance of payments—it also strengthens the military capabilities of our allies, for we are usually in a position to produce the needed equipment faster and at less cost than it can be produced in Europe.

As a first and most important step in this effort, agreement has been reached on the establishment of a cooperative logistics system whereby the armed forces of the Federal Republic of Germany will increase the level of military procurement in the United States and will utilize American supply lines, depots and maintenance and support facilities. By this means the Federal Republic of Germany will fully offset the dollar costs of maintaining U.S. troops in Germany during 1961 and 1962. Discussions are underway, or will soon be initiated, with certain of our other NATO allies. Our objective during 1962 for total military cash receipts is approximately \$1.2 billion. I believe that we will be successful in attaining this objective.

It is our view that such military offset arrangements are both equitable and mutually beneficial. They provide a means whereby our allies can strengthen their own military forces at minimum cost and in ways that often would not otherwise be possible, while at the same time offsetting the dollar costs which we incur in maintaining our forces on their territory in the joint defense of the precious heritage of freedom. Thus, these agreements, at one and the same time, build up both the military and economic defenses of the West.

The dimensions of the actual drain on our balance of payments from economic aid—while important—are currently much smaller than many have assumed. A sizable fraction of our \$4 billion expenditure for aid—over two-thirds in 1961—is furnished in the form of U.S. goods and services. And in terms of the funds being committed at the present time, the portion furnished by our own goods and services is even higher and is still increasing. But just as in the case of defense spending overseas, there are limits to the further dollar savings that can safely be made in this area. The needs of the developing countries are likely to rise in the years ahead, not decline. Hence, much remains to be done in sharing this burden more equitably among all the countries able to bear it. I am hopeful that continued progress can be made along those lines this year.

On balance, a realistic appraisal of actions now underway suggests that the total drain on our balance of payments from aid and defense will be reduced by something over a

billion dollars a year, to a figure on the order of \$3 billion.

This means that the United States must have a continuing surplus of about \$3 billion a year in the other elements of our basic balance—trade, services, and long-term capital movements if we are to achieve a balance in this account which, as you know, does not include short-term capital flows. This is a tall order. But it is one we can, and must, achieve. Last year, when circumstances were particularly favorable for our trade account, our commercial trade surplus amounted to \$3 billion. This reflected the abnormally low imports of the first 6 months of 1961, which resulted from the slowdown in our economy. We must, however, accept this as a minimum target for the future and strive to do even better. Such a target will not be easy to achieve. But it is feasible and realistic—if we Americans continue to apply ourselves to the task with all the vigor and imagination it requires.

I will not review in detail here all the measures we have undertaken to make Americans export conscious as never before, to support industry with short-term credit insurance comparable to that available in other industrialized countries, and to provide comprehensive and speedy information on foreign markets. I am certain, however, that all of you here will see visible results from these efforts in the months and years ahead, as American businessmen move more aggressively to participate in growing world markets.

All of this effort will, of course, avail us nothing if American industry cannot or does not deliver its goods at attractive prices. Restraint on costs and stable prices must lie at the very heart of American efforts to sharpen our competitive drive in world markets.

Our overall approach to this objective is, I believe, clear: The thought that price stability depends on keeping wage rates in line with national trends in productivity is hardly new. But never before has an American administration assumed the responsibility for defining that principle in such clear terms—and never before has an American administration so carefully spelled out its implications for collective bargaining and pricing decisions. The object is simply this: To insure that labor and business alike, in weighing all the complex pressures that enter into any wage-price decision, are also fully aware of the overall national interest.

The past year has seen some success in these efforts. Despite our economic recovery the very significant fact is that wholesale prices in the United States are lower today than they were a year ago. They have now remained stationary for 4 years. This price stability has served to improve the competitive position of the United States versus our friends in Europe, reversing the trend of earlier years. We will continue to do everything in our power to see that this new trend continues. Important among our efforts is the promotion of a more favorable environment for investment. An investment tax credit, included within a broader program of tax reform now before our Congress, is a key element in our approach. And updating and simplification of outmoded depreciation guidelines to take full account of the impact of swiftly changing technology on the useful life of equipment is another. Together, these measures will provide incentives for investment in new equipment comparable to those that have long existed in other leading industrialized nations.

Monetary and debt management policies are being conducted in a manner to insure that ample funds are available, at reasonable cost, to finance new capital outlays. Fiscal policy, too, has been closely attuned to the need to encourage investment, and to avoid the sort of demand pressures that could menace price stability.

As you know, we have succeeded this year in keeping the deficit in our Federal budget far below the level of fiscal year 1959—the last similar recovery period. This has been of major assistance in our effort to forestall any significant tightening of the credit markets, with Government draining off resources and funds that might better be devoted to productive investment. For the fiscal year beginning next July, we have programmed a balanced budget on the presumption that the economy will continue to expand vigorously, approaching full employment by the end of the fiscal year.

Under such conditions, our budget would gradually, and quite properly, exert increasing restraint on demand as the year progresses. This is better illustrated by the projected surplus of \$1.8 billion in the overall cash account which, in contrast with the administrative budget, reflects all the activities of the Federal Government.

Whether or not our budget target will, in fact, be reached, cannot be foretold with certainty today. We won't know the answer until time has tested the basic assumptions that underlie the revenue estimates. But as you all know, Government receipts in the United States are very sensitive to business conditions because of the heavy reliance on the income tax. I can assure you that expenditures are being kept within the limits of the revenue estimates. I would be less than frank if I did not admit that our first quarter results were disappointing, although the shortfall was not so great that it cannot be made up in the months ahead. Certainly my own readings of the latest business news and profits figures suggest that it is still premature to conclude that we cannot attain our goal.

Whatever the precise budgetary outcome 14 months hence, the really crucial fact is that the economic effect of any particular surplus or deficit can be judged only in the context of the existing business environment. If our economy fails to sustain the momentum we anticipate, labor will remain freely available and industry will continue to operate well below capacity. Under such circumstances, experience shows that a moderate deficit would not be inflationary, just as the rather substantial deficit of the past 12 months, with manpower and goods in ample supply, has not been inflationary—and, for that matter, just as the much larger deficit in fiscal 1959 was not accompanied by any general price increase. And here I would like to say that our deficit for the current fiscal year ending on June 30 is today estimated at \$7 billion, exactly the same as our official estimates of last October and last January.

The fact that there is no automatic relationship between budgetary deficits and price inflation, or between budget deficits and the balance of payments, is brought home forcefully by a recent study comparing the budgets of the United States with those of the three largest European countries. I do not recommend it for light reading. It is a highly technical statistical exercise designed to adjust the data to a common basis so that they accurately reflect the net impact of Central Government operations. But the conclusion stands out clearly and unambiguously: Britain, France, and Germany have all been more deficit-prone than the United States. Converting European budgets to the more rigorous standards of American budget accounting, we find that Germany, for example, has had a deficit ever since defense spending became a significant portion of its budget 4 years ago, and that France has had a deficit in every year of the past decade. Moreover, the deficits of all three of these European countries have, much of the time, been considerably larger, relative to gross national product, than that of the United States.

What is one to conclude in view of the fact that two countries—France and Germany—which, using our basis of budgetary accounting, have had relatively large budgetary deficits in recent years, have also had the largest surpluses in their international accounts?

Certainly not that large deficits are the road to salvation.

We all know that the wrong deficit at the wrong time can pave the road to inflation. But, in discussing budget policy, we too often fall into the trap of forgetting that it is inflation which is the real enemy. We should always bear in mind that moderate budget deficits incurred during periods of inadequate demand and which do not exert upward pressures on price levels—are quite different in their economic effect from deficits incurred when the economy is operating at full capacity.

In this connection, the relationship of the Federal debt to the gross national product—in other words, the ability of the national economy to carry the debt burden—is also pertinent. In this area, the record of the United States has been and continues to be very good. From a situation at the end of the war when the Federal debt amounted to about 125 percent of our gross national product, the percentage has continually declined and today stands at about 53 percent. This compares with a ratio of 56 percent just 1 year ago, and a ratio of about 50 percent in 1941, before wartime expenditures sent our debt soaring. The addition of our growing State and local debt would modify these percentages only slightly. The general picture would not be changed.

Price stability—investment in modern machinery—an export-minded government and industry—these are the keys to an expanding trade surplus for the United States in the years ahead, a surplus achieved not by retreat to controls or deflation, but firmly grounded in the ability of American business to pour out into world markets new and improved products at attractive prices. Our trade surplus is already large. But it is not quite large enough to cover our commitments for defense and aid, as well as our current volume of private investment abroad. However, the needed margin is within reach—and reach it we mean to do.

The preliminary results from the first quarter of 1962 clearly show that our efforts are beginning to bear fruit. Despite an increase of \$550 million in our imports as compared to the unusually depressed level of the first quarter of 1961—an increase that is the natural reflection of our economic recovery—our overall deficit for the quarter was just \$100 million larger than in the same quarter last year. Leaving imports aside this represents a solid improvement of \$450 million in all the other elements of our balance of payments. Overall, these results show an improvement of a billion dollars over the deficit incurred during the fourth quarter. During the first quarter of this year our basic deficit ran at an annual rate of approximately \$1.2 billion, and our overall deficit at an annual rate of \$1.8 billion. The continuing and growing effect of our various efforts to correct our balance of payments should serve to maintain or improve these results as the year progresses.

We should not, however, center all our attention and all our efforts on our trade balance. A danger will remain so long as the United States stands virtually alone in providing a free and effective capital market, absorbing the bulk of the marginal demands for funds from other countries, surplus and deficit alike. Then the dollars saved in defense and aid, and the dollars earned in trade, could too easily be drained away in an accelerating outflow of American capital.

I am not referring to sudden and massive shifts of liquid funds in response to interest rate differentials, to speculative considera-

tions, or to other factors. That difficult problem has already received much attention, and our mutual defenses are being strengthened. I am referring to the basic world market for long-term capital.

This long-term capital market has two major factors: direct investment and portfolio investment. It is the latter, or rather a portion of the latter, which is my chief interest today, although I will say a few words first on the subject of direct investment.

The United States has consistently favored free capital movement, the ability of individuals or companies to invest their funds where they will. There has been no change in that view. We are, however, asking our Congress to end the tax inducements to American investment in other industrialized countries, particularly the inducements which flow from the mushrooming use of so-called tax havens. The object is not to discourage capital from going abroad in search of higher gross return. That sort of investment will, in the long run, serve the investor, the United States, and the recipient country alike. We recognize that the great bulk of our foreign investment is of this type and is not tax induced. We do, however, want to make sure that our tax system does not unwittingly—and artificially—spur this outflow. We wish only to eliminate marginal foreign investment that is induced primarily by tax considerations. While there is no expectation that such action will dramatically reduce the outflow of direct investment funds from the United States, it will be of some help—and every bit counts in the effort to eliminate our payments deficit.

In the field of portfolio investment, I am not interested in the purchase of foreign equities by American investors, a process that is an essential element of free capital movement. What I am concerned with is the increasing use of the various mechanisms of the New York capital market by European borrowers to raise funds for their own internal purposes. Today, the plain fact is that underwriting and distributing facilities in the industrialized countries of continental Western Europe, are generally inadequate to meet the foreseeable needs of domestic borrowers—much less those from abroad. That is not a healthy environment for long-term domestic growth. It inevitably means higher borrowing costs and a shortage of funds for firms and industries that lack their own internal sources of capital. And, when combined with controls and restrictions on capital movements lingering on from earlier days, it has the incongruous effect of shunting to the New York market new issues from the surplus countries, even as we in the United States are endeavoring to erase deficit.

While the current relatively favorable interest rates in the New York market are, of course, attractive to foreign borrowers, there is plenty of evidence that a large part of the current European borrowing in New York is as much a reflection of the greater and more ready availability of funds in the New York capital markets as it is of interest rates. In other words, the indications are that many of the current European borrowers would be coming to New York even if our interest rate structure were somewhat higher. They would be coming because they find it more difficult to raise the needed funds in Europe than in New York. A case in point is the current \$25 million borrowing by the European Coal and Steel Community.

This does not seem to me to be a very efficient use of the world's capital resources. The years to come will certainly see a growing demand for capital from countries which cannot be expected to develop their own capital markets. Such countries have traditionally looked to the capital markets of New York and London to raise their funds. This is a normal procedure and should continue. But it will be more difficult for these countries to meet their needs if they must

compete in the New York market for necessarily limited funds with continental European borrowers who, given fully adequate European capital markets, should normally be able to find the needed funds without having to cross the Atlantic.

It is true that a large proportion of the European issues that have been publicly floated in New York have ultimately been taken up by European investors, which among other things, shows that these investors are prepared to lend their money long-term at lower rates than are currently quoted in their own capital markets. Thus, the burden on our international accounts has not been as large as it may have appeared from a simple total of the volume of new issues sold in New York. But the burden is nonetheless real. And so long as the imbalance in facilities and controls remains, so will the threat that an accelerating flow of these issues could undermine our efforts in other directions. And as long as continental Western Europe continues to operate with inadequate and outmoded capital markets it can have no solid assurance that the capital required to insure steady and rapid growth will, in fact, be available. I am glad that the OECD has now recognized the importance of this problem and has commenced to work actively in this field. We should all of us give this effort our full support.

I recognize that progress toward relaxing some of the formal controls on external capital flows is already evident in most industrialized countries. Nevertheless, residents of only a few Western European countries have freedom today to invest abroad wherever they may wish, and in whatever form they may desire. Some type of official authorization and approval is still commonplace, and outright prohibition is not infrequent. The volume of foreign bonds offered in Western European countries in recent years has, except in one or two of the smaller countries, been negligible—and in some countries, nonexistent. And, it still appears that bank funds are readily available to foreign borrowers, in substantial volume and without ties to exports, only when they are in the form of U.S. dollars.

Thus, we have a long way to go before we can be satisfied that our arrangements for raising and distributing capital within the free world are in step with our progress toward freer trade and higher standards of living. I, for one, shall be uneasy so long as virtually all the world—surplus and deficit countries alike—those capable of generating a high level of savings internally and those operating close to subsistence levels, must look to the United States as their principal, if not only, source of marginal capital.

Progress in this area cannot come with dramatic speed. Markets have been insulated too long. The whole psychology of a generation of investors must be changed. New institutional structures must be developed. But as I look at the development of Western Europe from a distance, it seems to me that the logic of internal growth and development points in this direction.

More efficient capital markets will be essential to sustain growth, and should themselves tend to reinforce other factors that could bring about a lower level of long-term interest rates more in line with those typical of the American market. Already, some tendency in that direction has developed. In this interdependent world of ours, I would expect that tendency to continue.

I am not calling today for any radical new departures in policy. I am asking only that we willingly accept the logic of our evolving world economy, and press ahead with all our vigor to cast off those restrictions that still impede the free flow of capital, both within and between nations. This is clearly not a job for governments alone, but for banking leadership and banking statesmanship as



well. I submit it as a special challenge for all of you who have a vital interest in expanded trade between nations, growth at home, a durable payments system, and a strong free enterprise economy.

REMARKS BY THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY, AT THE UNIVERSITY OF PENNSYLVANIA, PHILADELPHIA, PA., MAY 21, 1962

It is a pleasure to meet with you today and to join the alumni of this distinguished university. I am delighted to share in these honors with my old friend, President Houphouët-Boigny of the Republic of the Ivory Coast. He is a wise leader who has brought his people into nationhood and has made his country a beacon of hope for the future of Africa. His presence here today is a reminder that a great university knows no national boundaries, for peoples from every corner of the earth share in its work and contribute to its life.

Those of you who are departing this university to embark on your careers will find that our constantly changing world will become increasingly complex in the years ahead. I can assure you that there are vast challenges awaiting you.

Overriding all others is the military power, supported by a growing economy and a passionate ideology, of the Communist bloc. This power requires us to constantly strengthen the defenses of the free world. At the same time, the nature of nuclear weapons demands that we do all we can to lessen international tensions and to seek ways of minimizing existing frictions. We must negotiate while maintaining our preparedness for the worst. We must employ strength, patience, and diplomatic skill.

Another great challenge is presented by the growing economic strength of our European allies. While we are naturally pleased with their progress, we must recognize that we now have competition in the markets of the world such as we have not known for more than a generation. We must improve our competitive abilities so that we may earn, through our exports, enough to support both our overseas military establishments and our much-needed programs of aid to less developed countries. That is the basic reason behind President Kennedy's programs of trade expansion, of export promotion, and of tax incentives to stimulate the constant modernization of our industrial plant.

A third great challenge is represented by the yearnings of the peoples of the less-developed world for a better life. Nearly 50 new countries have entered the family of nations in your lifetime. Their struggles and those of all the developing lands will do much to shape the pattern of the world for decades to come. The importance of the nations of Africa alone—as President Houphouët-Boigny can testify—cannot be overestimated, either during their present striving toward a better tomorrow or as a potentially major force in international affairs. In Latin America, too, there is impatience with the slow pace of advancement. Our Alliance for Progress, designed to speed development throughout the hemisphere, may—if we and our Latin partners work hard enough at it—become a model of collective aid and self-help for the entire developing world, including Africa and Asia.

These vast, complex problems are among the greatest ever faced by our country. They will not become any easier during your lifetimes. Their solution will require the best efforts of men and women trained in universities such as this. They will provide plenty for you to do.

Let us look for a moment at our domestic scene, where we have a great deal of unfinished business:

Our economy badly needs strengthening. It must grow faster in order to support our Defense Establishment, to improve our com-

petitive position in the world's marketplaces, to meet essential needs in our own country, and to help the peoples of less fortunate nations to raise their living standards.

We cannot tolerate unemployment at present levels, not only because it entails human suffering, but because it represents unused manpower. We must speed up the growth of our economy to provide the needed jobs. We must also keep our prices stable, since inflation would seriously affect the welfare of all in our society who depend on savings, and would threaten our ability to compete in today's highly competitive world. To resist inflation, business, labor, and Government must all exercise self-restraint.

We must strive for greater efficiency by applying new methods, fresh research, and the fruits of the laboratory, to the development of a better industrial plant—and must raise the level of investment, for investment creates jobs, incomes, and consumer demand.

We must also improve the ways in which we care for the poor, the aging, and the sick. Here we can take a major step forward in the next few months by enacting legislation to assure adequate medical care for the aged through our tried and proven social security system.

Above all, our educational system needs strengthening. We need more classrooms, more and better paid teachers, more laboratories—more educational facilities of every kind to keep pace with our expanding population. For in the last analysis, our strength lies not in machines, but in our people, who must be given maximum opportunity to develop their latent talents.

Finally, no catalog of our wants can exclude the need to improve the rights and opportunities of all our citizens. For our Nation is distinguished by our adherence to the principle of individual liberty, by the overriding importance which we attach to the individual citizen.

The vast changes taking place in our civilization have had one thing in common. They have often seemed to reduce the efforts of the individual citizen to insignificance. For this is certainly the age of the mass market, the mass media, the mass civilization. Out of this age, two great dangers have arisen—mass ignorance and mass apathy.

As the industrial era has accelerated, it has been the specialist—the market analyst, the computer systems designer, the neurosurgeon, the nuclear scientist—in short, the expert—who has become important. Experts are indeed necessary. But with their increasing importance, we too often are tempted to say, when considering matters of public policy, "What do I know about it? I'm no expert."

I say to you that the individual, despite indications to the contrary, is more important than ever, and that the ability of our citizens to influence public policy is also more important than ever.

In our system, it is how much the ordinary citizen knows—and even more important, how much he cares—that will determine the outcome of large issues. Experts of course are necessary, and their advice should be heard, but in the end, it is often the non-expert who must make the decisions.

#### POLITICAL REALITIES AND ASSUMPTIONS

Mr. CLARK. Madam President, on several occasions during the past few months I have taken the opportunity to suggest that there was a certain amount of lack of reality in the attitude of some of us in the Senate toward pressing current, modern problems. The position which I have taken in this regard appears in far better form than I could present it myself in a column which ap-

pears in this morning's New York Times, written by the distinguished commentator James Reston, entitled "Present Political Realities and Past Assumptions."

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### PRESENT POLITICAL REALITIES AND PAST ASSUMPTIONS

(By James Reston)

WASHINGTON, May 22.—The most serious problem in Washington today—because it affects all other problems—is the gap between present political realities and past political assumptions.

In a revolutionary time, the facts change, often with bewildering rapidity, but the attitudes of the antagonists remain the same or lag behind.

This is the root of President Kennedy's difficulties, not only with the Russians and the Chinese Communists, not only with President de Gaulle, Chancellor Adenauer, and Prime Minister Macmillan, but with Roger Blough of United States Steel, George Meany of the AFL-CIO, and with the Congress, the doctors, the press, and the other prominent contestants in the major contemporary controversies.

It is even the major problem within the Kennedy administration itself, for there, as in the President's outside battles, the conflict is between those who want to act on the basis of the facts and those who cannot liberate themselves from the past and cling stubbornly to the familiar routines and arguments and policies of another time.

This was what President Kennedy was talking about—almost pleading with the leaders of business and labor to think about—in this week's economic conference at the State Department.

#### THE COMFORTABLE ATTITUDES

"How can we look at things as they are," the President asked, "not through party labels or through position labels, but as they are?"

It is a good question. The Russians and the Chinese know that the world has changed, even that the United States has changed, yet they go on spouting the ideological clichés of the past about capitalist conspiracies to wipe Moscow and Peking off the map.

President de Gaulle knows all about the economic and military weakness of the national sovereign state, yet risks the movement toward European unity and Atlantic partnership by emphasizing the importance of restoring the grandeur of France.

Chancellor Adenauer sees the division of Germany more sharply than anybody else, yet argues against any American contact with the East Germans while approving day to day contact with them in his own state.

Roger Blough of United States Steel is well aware of the growing competition from foreign exporters and new products, but stumbles into an awkward controversy with the White House on the assumption that the President has no right or responsibility to concern himself with prices.

Finally, big labor, accustomed to the support of Democratic administrations in the past, ignores the changes of fact which compel the administration to concern itself with keeping wages in line with production and assumes, quite wrongly, that it can continue to count on Kennedy's support in every labor-management conflict.

It does not follow from this that Kennedy is always arguing from the realities of the present and his opposition from the outmoded assumptions of the past. The heart

of his problem with the French, for example, is that he continues to have the old special relationship with Britain on atomic matters, while denying equal treatment to De Gaulle.

Also, his expenditures and attitudes today in Korea and Taiwan are not, even on the analysis of his own experts, based on present realities but on past political assumptions.

Nevertheless, he has at least recognized the important problem and begun arguing, not only to labor and management but to his own associates in the administration, for a hard pragmatic look at realities.

This will take a long time, both within the Government and its relations outside, but he has begun. "What do you think we ought to do?" he asked his visitors yesterday. "If you don't like our proposals—those of you who are in business abroad—on taxes, what are your suggestions, and what are they specifically, and not in a general way?"

Almost as soon as he had finished, most of those who followed him addressed the same audience in terms of the old assumptions. The familiar themes of big labor and big business had been written in advance and were repeated as if he had never spoken.

#### BALDWIN'S EXAMPLE

Yet the President has launched a new debate in the country, and urged all institutions not merely to rely on the extreme pronouncements of their spokesmen, but to make sure that their representatives are truly representative and in touch with the facts of the day.

Maybe the invitation won't be accepted, but it was a good try. This is what Stanley Baldwin did in Britain in the twenties, when, with the help of responsible leaders of business and the statesmanship of Ernest Bevin, he finally got both sides to sit on the same side of the bargaining table and consider the national interest. Before policies can be changed, attitudes must be changed, Baldwin argued, and this is about what Kennedy has been saying here this week.

#### FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. MILLER. Madam President, I oppose the amendment designated "5-21-62-A," offered by the distinguished Senator from Louisiana [Mr. ELLENDER] to the farm bill, S. 3225.

The amendment would put into effect the Kennedy-Freeman plan for a controlled agriculture insofar as our feed grains farmers are concerned and would, in its ultimate effect, lead to controls over poultry and livestock production.

I find it difficult to understand why the administration persists in trying to force such a program on our farmers. All they need to do is read the results of polls taken around the country, including particularly the one recently concluded by the Farm Journal, in which 64,000 ballots were tabulated. Then they would know that farmers are over-

whelmingly against compulsory quotas. In fact, the Farm Journal results show that only 4 percent of the farmers favor them.

It will not do to say that farmers will be given a referendum under such a program. Their choice is between the loss of their farms and the loss of their freedom. The Ellender amendment provides that if two-thirds of the farmers vote for the program of marketing quotas and acreage allotments, it will go into effect. If less than that number vote for them, there will be no program at all. Some wealthy farmers might survive; but surveys made at Iowa State University reveal that an abrupt abandonment of a farm program would be catastrophic to most farmers. So I repeat: this proposal gives farmers a choice between loss of their farms and loss of their freedom. It is a cruel and unjustifiable choice.

Without the Ellender amendment, there would be a continuation of the present feed grains program. This is what the bill provides. This is not satisfactory either. We know that Secretary of Agriculture Freeman has said that this program was a "smashing success," but it was not successful enough for him to recommend that it be continued.

As a matter of fact, the March 1962 issue of "Farm Income Situation," published by the Economic Research Service, U.S. Department of Agriculture, discloses that farmers just about marked time under the current feed grains programs. They received \$12.7 billion net income for 1961 compared with \$11.7 billion net income for 1960, or \$1 billion more. Of this amount, \$700 million came from increased Government payments for land retirement. This really amounted to an acceleration of income from 1962 into 1961, because without the present program farmers would have produced grain on the land they retired under the program, and the grain would not have been sold until 1962. Instead, it was merely shifted from 1962 into 1961 and received in the form of land retirement payments. That is why the Secretary of Agriculture does not expect any improvement in farm income this year.

The President has alleged that the 1961 crop was 800 million bushels smaller than it would have been without the program. The Secretary of Agriculture has claimed that the 1961 crop was 700 million bushels smaller than it would have been without the program. Both figures are gratuitous. It is gratuitous to assume that Congress either had to pass the emergency feed grains program or do nothing. It is gratuitous to assume that if Congress did nothing, farmers would have grown feed grains on acres which they retired under the program, and that they would have had the same yield per acre as they had on the non-retired acres.

However, gratuitous or not, it is evident that the USDA budget covering feed grains will be from half a billion to \$1 billion more for the current fiscal year than for the previous fiscal year. This is probably the principal reason why the administration does not ask for a continuation of the present program.

I believe it would be infinitely better to continue the present program instead of giving farmers a choice between disaster and loss of their farms, on the one hand, and loss of their freedom, on the other. Indeed, Wallace's Farmer, in the May 5 issue, has recommended the continuation of the present program in preference to the marketing quota and acreage allotment program of the administration. Improvements in the present program are also recommended, including a requirement of participation for ACP payments, storage facility loans, and any other USDA assistance.

We could also improve and extend our land retirement program. This, of course, is the essence of the cropland adjustment plan recommended by the American Farm Bureau Federation. It should be implemented in a manner which would limit the amount of productivity that could be retired in a township, to protect the purchasing power needed in small communities, and in a manner which would protect tenant farmers. If the amount of acreage proposed in the cropland adjustment plan appears to the administration to be excessive, certainly a reasonable compromise could be worked out so that some real progress could be made toward bringing production and consumption into balance.

Madam President, in this connection, I ask unanimous consent that an editorial entitled "There's a Better Way," published in the March 1962 issue of Farm Journal, be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THERE'S A BETTER WAY

The chief impression one gets from the Kennedy-Freeman farm program is that it was designed more for consumers and taxpayers than for farmers. It makes pretty good reading in cities. Toward farmers it is amazingly tough: "Take this or else."

Agriculture is in chaos and inefficient, says the President, which will be news to most farmers. Two million of them often possess too little skill and managerial ability. Agriculture is costing taxpayers an unconscionable amount, and this can't go on. Voluntary farm programs have been failures. Too many farmers don't participate, and those who do somehow always outwit the Government. Enough of this. Now, by golly, we'll put the feed grain and dairy farmers under compulsory controls, along with the farmers already there. The Government will give them a ticket, as it were, allowing them entry into the farm arena, then it will tell them how much they can farm.

The Secretary of Agriculture will pay them something for the land they retire. He will set their support prices. He will take over from Congress the determination of how many acres of certain crops we'd have, and each farmer would get his historic share. The only way a producer could grow would be to buy another farm, with quota or allotment attached. A young man trying to get started would have one more thing to buy—a quota.

Feed grain acreage would be cut back 20 percent to 25 percent below 1959-60 levels and wheat 20 percent below 1961, the Secretary says, although he could set different figures later.

There's to be a two-price plan for cotton and a three-price plan for wheat (one for



domestic food, one for export, one for feed). Cotton, rice, and tobacco acreage would likely expand.

So goes the administration's thinking. All of this goes into effect if two-thirds of the farmers who vote favor such plans. If more than one-third don't approve:

Wheat and feed grains would get no supports at all. That's right, none. Never before has there been a threat to abolish supports on these crops. Dairymen would probably get supports but sharply cut. Nor is this all. The Secretary would be empowered to dump on the market, at any rate he chose, 10 million tons of CCC feed grains and 200 million bushels of wheat a year.

That's what the administration calls choices. The President says the program would give farmers maximum freedom, a claim we'll let farmers judge for themselves. He says it will increase income. Yet USDA's own estimate is that under such program farm income would go up by only \$425 per family, and that not until 1965. Do you think it's worth it? We've done better than that over the last 4 years.

Farm Journal agrees that painful adjustments have to come in feed grains and wheat. But we don't concede that compulsion is the only way, or the best way, to accomplish them. Dairy products are over-produced only 5 percent—we certainly don't need to put dairymen under Government controls to cure that. If the Secretary had not increased supports a year ago we wouldn't have even this much problem. The administration proposes retiring 50 million acres of land, and that's good provided we let farmers do it voluntarily rather than take the land by decree. Let's retire another 25 to 50 million acres of cropland and we'd have no problem. Farmers could then decide how to farm the rest. Our only "failure" with this approach has been in not going far enough.

This might cost a half billion dollars a year more than the administration's program, by the time we got done paying the large costs of administering and enforcing the latter. We favor it. We believe Congress would agree that the difference would be worth paying to avoid putting farmers under Government controls no urban citizens are being asked to accept—or would accept. That's not too much to pay to leave farming in farmers' hands.

Mr. MILLER. Madam President, the point is made that marketing quotas and acreage allotments are in effect for cotton, rice, tobacco, and peanuts, and that therefore there is no reason why the same approach should not be used for feed grains. There is a great deal of difference. Feed grains are used for the production of livestock, dairy products, and poultry. It is relatively easy to enforce marketing quotas when the products can only be sold or disposed of directly. It is another thing when such products can be fed into livestock and poultry. Enforcement problems in this area would be tremendous, although if the idea is to relieve unemployment by hiring more Federal employees, the proposal would contribute in that respect.

As was pointed out in my colloquy with the distinguished junior Senator from North Carolina [Mr. JORDAN], such nebulous terms as "normal farming practices" and "hardship" are left to the complete discretion of the Secretary of Agriculture for definition.

The proposal contained in the Ellender amendment to permit the establishment of a commercial area leaves complete discretion in the Secretary of

Agriculture both to define the commercial area and to determine whether or not one should be established. The effect of establishing a commercial area would be to grant an exemption to producers located outside this area, thus encouraging the expansion of noncommercial production at the expense of those in the commercial area.

I might point out that legislation authorizing marketing quotas for corn was on the books from 1938 to 1954. During this time, five different Secretaries of Agriculture, representing both political parties, refused to put them into effect. Finally, the authority was repealed in 1954 because it had not been used and was recognized to be impractical to administer and contrary to the wishes of the vast majority of farmers.

In conclusion, title V of the bill provides for the establishment of an Agricultural Research and Industrial Use Administration. Properly funded and administered, this holds promise of long-term results that can be highly beneficial in helping to bring production and consumption into balance. I hope that this title will be left in the bill and that a substantial appropriation will be made for this activity. I note that in the proposed budget for the fiscal year ending June 30, 1963, some \$170 million is allocated to Agricultural Research Service, but it does not appear that any portion of the expenditure would be applied to intensive efforts to develop industrial uses for agricultural products.

Mr. DWORSHAK. Madam President, in the debate on the farm bill, S. 3225, it has become fairly apparent that efforts are currently being made by the Department of Agriculture to place rigid controls on American agriculture. The Senate Committee on Agriculture has met this challenge and has endeavored to draft legislation which will stabilize the industry and prevent trends which ultimately will prove disastrous.

It is reassuring to note that this bill does not have as many rigid controls for most of the agricultural industry as did the original Freeman bill, which had the support of the administration. Farmers in my own State believe that the least possible controls will offer the best answer to balancing our agricultural production to requirements.

During the past year there has been considerable apprehension in Idaho over proposals to impose marketing and acreage controls on potatoes.

Last fall, when the potato industry faced many marketing problems and depressed prices, the National Potato Council requested the appointment of a National Potato Advisory Committee to make recommendations to the Secretary of Agriculture concerning whether a national marketing agreement and order regulating the handling of potatoes would tend to effectuate the declared policy of the act.

Assistant Secretary Ralph, who no longer is in the Department, acted as Chairman of the Advisory Committee which drafted a proposed marketing agreement and order regulating the handling of potatoes, and requested

hearings thereon in various parts of the country. The hearings were on marketing orders promulgated by the Department of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937, and the proposed order was printed in the Federal Register under date of February 15, 1962.

The hearings were designed for the purpose of receiving evidence with respect to the economic and marketing conditions which related to the provisions of the proposed marketing agreement. These hearings were held in New York, Toledo, Minneapolis, Pocatello, Bakersfield, Amarillo, and Atlanta. The testimony at the Idaho hearing very clearly reflected widespread opposition to the use of marketing agreements and orders.

When the final hearing was recessed at Atlanta, Ga., on April 21, 1962, the hearing examiner announced that the hearings would be reconvened at a time and place to be announced later.

It was reported last month in some Idaho newspapers that Secretary Freeman would ask the National Potato Advisory Committee to reconsider its previous recommendation in support of the marketing order and the possible inclusion of quantity marketing controls. However, when I checked with the Office of the Secretary of Agriculture, I could not verify this report; and I was advised that there was no plan to request the Advisory Committee to reconsider its previous recommendations.

I was also advised by the Secretary's office that the hearings are expected to be reconvened, so that the testimony can be carefully evaluated. It is also obvious that with the recessing of the hearings at Atlanta in April, it would not be possible to formulate any policies which might affect the 1962 potato crop. It would be late this year if the hearings were resumed and decisions made based upon the findings, and a referendum ordered. What actually is taking place is that there is no plan for any action by the Department of Agriculture during this interim, when so many other political and personnel problems are pending in the Department.

It is interesting to note that in February 1962, the U.S. Department of Agriculture drafted a statement containing 50 questions and answers dealing with the proposed potato marketing agreement and order which had just been announced. Many of those statements were distributed throughout Idaho and, I presume, throughout other potato-producing States. I ask unanimous consent to have inserted in my remarks at this point this official statement by the Department of Agriculture.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### QUESTIONS AND ANSWERS ON PROPOSED POTATO MARKETING AGREEMENT AND ORDER

1. Question. Why has a national marketing order been proposed for the potato industry by the Potato Advisory Committee?

Answer. Because the Committee thought the economic tools for market stabilization included in enabling legislation for marketing orders provide a means for the industry to bring supply more in line with demand,

and to offer a way to both increase and stabilize producer income.

2. Question. Is this the only approach recommended to the Secretary of Agriculture by the Committee to resolve what industry leaders consider a critical problem of overproduction?

Answer. No. The proposed national marketing order is one portion of a three-part program recommended by the National Advisory Committee. The other suggestions were that legislation be asked from the Congress for national acreage allotments and for producer marketing quotas.

3. Question. Is legislation needed for a national marketing order?

Answer. No. The Marketing Agreement Act of 1937, as amended, gives authorization for marketing orders for various vegetables, including potatoes. There are nine regional marketing orders for potatoes at the present time, with six of them active.

4. Question. Would a national marketing order affect the regional orders?

Answer. The effect of a national marketing order on the regional orders will depend on the nature of provisions which may be incorporated in a national order on the basis of the hearing record.

5. Question. What general provisions for market stabilization are proposed in the potato marketing order?

Answer. Regulations could be issued for volume control; for grade, size, quality and maturity (by varieties, regions or outlets) standards; for container standards; for labeling standards, and for inspection.

6. Question. What other provisions are proposed?

Answer. A provision is included to establish marketing research and development projects designed to assist, improve or promote the marketing, distribution and consumption of the potatoes.

7. Question. Is there a cull regulation proposed?

Answer. Yes. A national cull regulation of U.S. No. 2, 1½ inch, is proposed on all potatoes for fresh market use, except that U.S. No. 2, size C, may be handled in some circumstances. A further regulation is proposed that potatoes contracted before planting, and intended for processing, would meet a U.S. No. 2 processing grade: 1½-inch minimum. Exceptions to the national cull regulation could be authorized by the administering agency.

8. Question. Who would administer the proposed marketing order?

Answer. The marketing order would be administered by the National Potato Administrative Board, assisted by seasonal committees representing the various seasonal marketing groups. In addition, the Board would be advised by special committees representing such groups as chippers, processors, and shippers, and by a National Potato Committee composed of members of the seasonal and special committees.

9. Question. Would the Board, or any of the committees, issue regulations?

Answer. No. By law, final authority and responsibility in issuing and carrying out provisions of a marketing order rests with the Secretary of Agriculture. Recommendations would be made to the Secretary by the national board for application of any or all regulations provided for in the marketing order.

10. Question. Why does this authority have to be vested in the Secretary of Agriculture?

Answer. The Agricultural Marketing Agreement Act of 1937, as amended, in authorizing the use of marketing orders at the request of and for the benefit of producers, provides for the use of a substantial regulatory power, and its application to one segment of the industry (handlers) for the benefit of another segment of the industry (producers). The marketing orders authorized are unique in these respects, and

particularly because the persons to be benefited are given the opportunity to participate in a substantial way in administering programs which carry an exemption from the antitrust laws. Congress provided for protection of the public interest, including that of the consumer, by placing responsibility on a Government official, the Secretary of Agriculture, for exercising general supervisory authority over the board or committee administering an order.

11. Question. How would the National Potato Administrative Board in the proposed marketing order be made up?

Answer. The initial Administrative Board would be made up of 46 members selected from all commercial potato production areas. All members must be producers, except those members representing processors, chippers, and shippers. The initial Board would give consideration to areas and seasons (1) for producers; (2) to Idaho for processors; (3) to Maine for shippers, and (4) for chippers.

12. Question. Are there any other administrative agencies proposed in the marketing order?

Answer. Yes. It is proposed that seasonal committees, special committees, and a National Potato Committee be established upon recommendation of the Board and approval by the Secretary. At least three-fourths of the membership of each seasonal committee would have to be producers. Seasonal committees would be established for the winter and early spring group; the late spring group; the early summer group; the later summer group, and the fall group. Special committees would be established for the processor group, the shipper group, and chipper-chip industry. For the special committees, at least three-fourths of their membership would be composed of persons in the industry represented, with not less than two producer members also serving. The proposed National Potato Committee, to advise the Administrative Board, would be made up of members of the seasonal and special committees.

13. Question. What is the proposed term of office for members of the Board and of the committees?

Answer. Three years, the term to begin and end on dates recommended by the Board and approved by the Secretary. Terms would be arranged so about one-third of each agency's membership would terminate each year. Board members would not succeed themselves, except members of the initial Board could serve on the next succeeding Board.

14. Question. What would constitute a quorum for voting purposes for the Board or committees?

Answer. A majority of each. At assembled meetings all votes would be cast in person and a majority of those present would be necessary to pass any motion or approve any action.

15. Question. In event of a market or supply emergency, is there consideration for action by the Board or committees other than by called meeting?

Answer. Yes. It is proposed that agencies may meet by telephone, telegraph, or other means of communication, and any vote cast, confirmed in writing, would be valid. Approval by three-fourths of all members voting would be required to approve any action.

16. Question. Would any regulatory provisions issued apply to all segments of the industry?

Answer. No, only to the handler. The producer is not regulated in his production, and a retailer is not bound by the order in his capacity as a retailer. Regulations would be reflected on the producer, however, by the limitations placed upon the volume; or grade, size, quality or pack, that may be handled in any or all regions.

17. Question. What "potatoes" would be regulated by the marketing order?

Answer. All varieties of Irish potatoes.

18. Question. Who would be a potato handler?

Answer. A "handler" is synonymous with "shipper" and means any person, except a common or contract carrier of potatoes owned by another person, who handles potatoes. Handling would mean to purchase, acquire, package, transport, sell, or in any way to place potatoes in the current of commerce, or so as to directly burden, obstruct or affect the current of commerce.

19. Question. Who would be a producer of potatoes?

Answer. Any person producing in excess of 2 acres of potatoes for market.

20. Question. When would regulations for market stabilization be issued?

Answer. The handling of potatoes could be limited by regulations issued by the Secretary upon recommendation by the Board when he found they would tend to effectuate the declared policy of the enabling legislation. Regulations, when issued, would recognize the major types of market outlets for raw potatoes and would distinguish between the outlets.

21. Question. What provisions could be included in regulations issued for potatoes for the fresh market?

Answer. Regulations could limit the handling of particular grades, sizes, qualities or packs, of any or all varieties of potatoes during any period. The regulations could limit in the same manner for different portions of the Nation, for different outlets, for different containers, or for any combination of these. Regulations could require that containers be labeled to show the grade, name, and address of the handler responsible for the grade of potatoes in the container, and identification of the State or area where the potatoes were grown. Regulations could fix the size, capacity, weight, dimensions, or pack of any container (or containers) used in handling potatoes, and these could be different for different varieties and different outlets.

22. Question. Could other regulations be issued for potatoes handled for the fresh market and for food processing?

Answer. Yes. Regulations could fix the total quantity of potatoes which could be handled during any season or crop year by all handlers. This would be done by allotting, or providing the methods for allotting, the amount of potatoes (or any grade, size, or quantity thereof) which handlers could purchase from (or handle on behalf of) any and all producers during any season or crop year.

23. Question. Could these regulations be issued for different quantities established separately for different seasons and portions of the country?

Answer. Yes.

24. Question. Would the allotments apply by seasons or periods?

Answer. Yes, for the winter and early spring, the late spring, the early summer and the late summer seasonal groups. For the fall seasonal group, volume regulations may not be used that require handling during any specific period.

25. Question. Would volume regulations apply to potatoes for food processing? (Enabling legislation does not authorize regulation of handling of potatoes for canning or freezing.)

Answer. Yes, but marketing could be limited only by seasonal total.

26. Question. If volume regulations were used, how would they be applied?

Answer. By allotting the amounts of potatoes which handlers could purchase from any or all growers in any or all portions of the country during any designated period.

27. Question. How would the amount of potatoes sold by any or all producers be determined?



Answer. The initial base period for producers would be 1959, 1960, and 1961. The highest 2 years would be used in determining producers' respective participating bases. After 1962, the base period would be the average of the production of the best 2 of the 3 years immediately preceding the year for which volume regulation were contemplated, excluding 1962 from each base period.

28. Question. Could volume regulations be based upon the quantity, established prior to a marketing season, that would be considered necessary to meet market requirements?

Answer. Yes.

29. Question. Could volume regulations be based upon a percentage of the current quantities available during any marketing period?

Answer. Yes.

30. Question. Would each producer be expected to gear his marketing of potatoes to those quantities established as needed for a particular period?

Answer. Yes. There would be an established allotment for the period fixing the amount that handlers could acquire from the producer for shipment to market. When volume regulations would be applied, each producer would have a participating base. This base would be fixed on the amounts sold in a prior representative period, or upon the current quantity he held available for sale. Dependent upon the marketing policy announced by the Board, the quantity of the producer's potatoes that handlers could acquire would be a percentage of his base—either higher or lower than the base.

31. Question. How does a producer participate in the amount allowed to be handled under volume regulations?

Answer. The producer submits a written application to the Board for a participating base under the volume regulations. Forms would be prescribed by the seasonal committee. Time of filing the application would be announced, with due consideration to the planting and harvest time for potatoes in each area, for each season, so that producers would have opportunity to plan and manage production relating to the allotments.

32. Question. How would a producer know the quantity of potatoes that he could market under volume regulations based upon past marketings?

Answer. The Board would establish methods for determining the amount of potatoes sold by each producer during the base period and for fixing a participating base for each producer. The Board would then establish a percentage of producer's allotment bases that could be handled during the season in question, and notify producers of their base and percentage that could be handled.

33. Question. How would a producer's participating base be established if volume regulations were announced on current quantities available?

Answer. Each producer's participating base would be his proportion (based on estimates of his currently available supplies) of the total current amounts available by all producers during the specific week, month, or other period of regulation.

34. Question. When the quantity of potatoes to be marketed during any season, or portion of a season, is limited by allotting the amounts which handlers may purchase from producers, how would the allotments be established?

Answer. They could be established by the following methods (or a combination of them): (1) when allotments are based on amounts sold by producers in a base period, the Board would determine the total of all producers' participating bases, and recommend the percentage of that total necessary to provide an adequate supply of potatoes. The allotment applicable to each producer would be fixed by multiplying his participat-

ing base by the announced percentage. (2) When allotments would be based on current quantities available for sale by producers during a specified period, the Board would determine the quantities available for sale during the period of regulation and recommend the total amount of potatoes which handlers could purchase or handle. The quantity of potatoes which could be handled during the period would be fixed and the percentage of the total amounts available which could be purchased by handlers from producers would then be established. Each producer's allotment would be established by multiplying the total amount of allotments by the producer's respective proportion of all participating bases.

35. Question. When could the producer know the allotment applicable to him?

Answer. The Board would give evidence to each producer of the allotment, as issued on a historical base, prior to normal planting time. For allotments based on current quantities available, evidence would be given the producer as soon as practicable. The evidence would be in the form of certificates to market, or other practical means of identification of individual producers and the respective allotments.

36. Question. What would be the purpose of the certificates?

Answer. No handler could purchase from producers, or handle, any potatoes unless they were identified as within the producer's allotment, and each handler would have to record his purchases, or other handling, on the producer's certificates.

37. Question. Could regulations under the order relating to handling for specified purposes be modified, suspended or terminated by the Secretary of Agriculture?

Answer. Yes, when he deemed it necessary to facilitate shipments of potatoes for purposes specified in the proposed marketing order, and when he found it would tend to effectuate the declared policy of the enabling legislation. Purposes included are for grading, storage or planting within local areas under established safeguards; for export; for manufacture or conversion into starch, flour, alcohol, and other specified products; charitable purposes; livestock feed, and other purposes which may be approved.

38. Question. When shipments of potatoes are regulated, may inspection and certification be required?

Answer. Yes. Regulations may be issued to the effect that no handler would be able to ship potatoes unless each shipment were inspected and certified by an authorized representative of the Federal or Federal-State Inspection Service, or any other inspection service as designated.

39. Question. Could inspection requirements be different between handling at shipping point and handling in receiving markets?

Answer. Yes.

40. Question. Could a handler, where inspection is required, ship potatoes after they have been regraded, re-sorted, repacked, or in any other way further prepared for market and still use the initial certification?

Answer. No. Regrading, re-sorting, or repacking any lot of potatoes would invalidate prior inspection certificates. If such were done, each shipment would have to have new inspection.

41. Question. Could inspection regulations be waived?

Answer. Yes, under certain circumstances, and when recommended by the Board and approved by the Secretary. These would include potatoes handled for special purposes (see question 37) on minimum quantities less than customary commercial transactions, and when it was decided that inspection would no longer tend to effectuate the declared policy of the enabling legislation.

42. Question. Would any further certification be required on shipments?

Answer. Yes. The handler would have to certify with his manifest that the potatoes handled by him met the requirements of the marketing order at the time of acquisition for processing potatoes (other than chips), and also at the time of shipment of potatoes for processing, for chipping, or shipment to fresh market.

43. Question. Are any exemptions to provisions of the proposed marketing order provided?

Answer. Yes. Exemptions in special circumstances are provided for both producer and handler. Any producer whose potatoes have been lost or damaged by acts beyond his control (disease, weather, etc.) and who would suffer hardship by being prevented from shipping during the season (or a portion of the season) as large a proportion of his crop as the average percentage shipped by all producers in his immediate area of production, could apply to the Board or seasonal committee for exemptions to the regulations. Any handler who had storage holdings of ungraded potatoes acquired during or immediately following the harvesting season that were lost or damaged by acts beyond the handler's control and who was prevented from shipping as large a proportion of his storage holdings of potatoes as the average proportion shipped by all handlers in his immediate area, could apply to the Board or seasonal committee for exemptions.

44. Question. Does the producer or handler apply for exemption to the Board or seasonal committee?

Answer. Either. The Board or committee, if the applicant's claims are justified, could issue a certificate of exemption which would permit the recipient of the certificate to ship the potatoes.

45. Question. Are records required to be kept by the Board, the committees, and all handlers?

Answer. Yes. Records to be maintained are listed in the proposed order.

46. Question. How would expenses be paid for administration of the proposed marketing order?

Answer. After the beginning of each fiscal period, the Board would prepare an estimated budget of income and expenditures for all administrative agencies necessary for the administration of the order. The budget would be presented to the Secretary of Agriculture, with an accompanying report showing the basis for calculations. To meet proposed expenditures, the Board could recommend a uniform rate of assessment which could not exceed one-half cent per hundredweight of potatoes (except upon recommendation of the National Potato Committee, but in no event could the maximum exceed 1 cent per hundredweight). Provision is included also to adjust the maximum rate in the proportion of which the index of prices farmers pay as of October 15, 1962. Handlers would share expenses upon a pro rata basis for each fiscal period. Each handler's share would be proportionate to the ratio between the total quantity of potatoes handled by him as the first handler during a fiscal period and the total quantity of potatoes handled by all handlers (as first handlers) during that fiscal period.

47. Question. What if there is an excess of funds at the end of a fiscal period after expenses are met?

Answer. The Board could establish a reserve, with the total held not to exceed approximately one fiscal period's operational expenses; or each person entitled to a proportionate refund could be credited with the refund against the operation of the following fiscal period, or if a person entitled to refund demands repayment it would be paid to him.

48. Question. When could the Secretary of Agriculture terminate the proposed marketing order?

Answer. The marketing order could be terminated by the Secretary at the end of a current marketing period whenever more than 50 percent of the producers, who produced during a representative period more than 50 percent of the volume of potatoes, requested a termination. The order could also be terminated, or suspended, when the Secretary found it obstructed or no longer tended to achieve the declared policy of the enabling legislation. The proposed marketing order also has provision that the Secretary shall, during the third year after issuance and prior to December 10 of that year (if issued), conduct a referendum to find out whether continuance of the order were favored by producers. Such a referendum would be held prior to December 10 of each succeeding year. If less than two-thirds of those voting approve continuance of the marketing order, then grade, size, quality, maturity, and volume regulations would be suspended.

49. Question. Can the proposed marketing order be amended?

Answer. Yes, under the same procedure involving public hearing and producer approval as applies to original issuance of orders.

50. Question. If a provision of the proposed marketing order is declared invalid, would the remainder of the order be invalid?

Answer. No.

Mr. DWORSHAK. Madam President, the second development which accurately reflects the trend toward drastic controls of the potato industry occurred on March 22, 1962, when the Senator from Maine [Mr. MUSKIE] introduced, on behalf of himself and several other Senators, as cosponsors, S. 3050, a bill to amend the Agricultural Adjustment Act of 1938, to provide for marketing quotas on Irish potatoes, through establishment of acreage allotments.

Senate bill 3050 contains 24 pages of intricate descriptions of various phases of potato production and marketing. The key provision provides for a national marketing quota. The Secretary is authorized to proclaim a national marketing quota applicable to the crop of potatoes produced for marketing in any year when he determines that the total supply of potatoes for the next marketing year will, in the absence of a national marketing quota, be likely to exceed the normal supply of potatoes for such marketing year. Another section of this bill provides for a national acreage allotment. The national marketing quota for any marketing year shall be converted to a national acreage allotment from the crop of potatoes produced for market in such year; and the bill gives the Secretary complete authority and jurisdiction to administer the program, and also to make acreage allotments for the farms in each county.

Senate bill 3050 contains a section on "compliance," reading as follows:

Whenever farm marketing quotas are in effect for any crop of potatoes, the producers on the farm shall be subject to a penalty on the farm marketing excess at a rate equal to \$3 per hundredweight of potatoes.

Any potatogrower who might inadvertently violate the acreage allotments would face the penalty of having his entire crop of potatoes made subject to a lien in favor of the United States, for the amount of the penalty.

The Senator from Maine [Mr. MUSKIE] inserted the text of S. 3050 in

the CONGRESSIONAL RECORD of March 22, 1962; and at that time the Senator said:

The bill which I am introducing today is part of a two-pronged attack on the very serious economic problems confronting the potato industry. This approach is the result of recommendations by the National Potato Advisory Committee, a 29-member group drawn from all segments of the potato industry and all areas of the country. The fact that the industry has reached a substantial agreement on a national potato program is a remarkable achievement in and of itself.

I want to take this opportunity to commend Secretary of Agriculture Freeman for establishing the committee and the potato industry for its cooperation in working out a proposal for the potato economy. I am proud of the role my State's representatives have played in its deliberations.

After the Senator from Maine referred to the expansion of the marketing agreement program, he said:

The second part of the program involves supply management through acreage allotments if approved by farmers in a referendum. The bill which I have introduced today is the supply management part of the package.

Although Senate bill 3050 was introduced 2 months ago, apparently the Department of Agriculture has made no official report on this proposed legislation. I am not advised when hearings will be held by the Senate Committee on Agriculture. Because there has been a tremendous increase in the production of potatoes in Idaho during the past few years, I have endeavored to provide factual information on these developments which could seriously curtail acreages. I am confident that Idaho potatogrowers and their spokesmen are eager to stabilize this industry, but not at the expense of accepting acreage and marketing controls to be administered by the Department of Agriculture.

During the consideration of and the debate on the pending farm bill, it is all too evident that the basic trend is toward complete Federal domination of agriculture. Insofar as potatoes are concerned, there may be an armistice in effect during this election year of 1962. However, it is abundantly clear that determined efforts are being made to place the potato industry under drastic controls in the production year 1963. I am sure Idaho growers do not favor this program.

#### LEGISLATIVE PROGRAM

Mr. HUMPHREY. Madam President, immediately after the Senate convenes at 10 a.m. tomorrow, I shall ask unanimous consent that the Senator from Massachusetts [Mr. SMITH] be recognized to address the Senate for whatever period of time he may choose, but not to exceed 1 hour and 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ADJOURNMENT TO 10 A.M. TOMORROW

Mr. HUMPHREY. Madam President, under the order previously entered, I move that the Senate now adjourn until tomorrow, at 10 o'clock a.m.

The motion was agreed to; and (at 6 o'clock and 7 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, May 24, 1962, at 10 o'clock a.m.

#### NOMINATION

Executive nomination received by the Senate May 23, 1962:

##### COLLECTOR OF CUSTOMS

Paul E. McNamara, of New York, to be collector of customs for customs collection district No. 8, with headquarters at Rochester, N.Y.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 23, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

*Psalm 73: 24: Thou shalt guide me with Thy counsel, and afterward receive me to glory.*

Eternal God, our Father, during this day wilt Thou give us Thy divine inspiration and guidance, touching our hearts with noble desires and teaching our minds to make Thy wiser will our own.

Help us to see and understand that if our present and future days are to be radiant and triumphant then we must cultivate the larger life of faith in Thee and of obedience to Thy leading.

Endow us with a greater wisdom and skill in discovering and developing those glorious affinities and possibilities which are resident in the soul of mankind everywhere.

May we be partners in the building of a world where truth and righteousness shall reign supremely, and love and peace shall be victorious over hatred and strife.

Hear us in the name of the Prince of Peace. Amen.

#### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 149. Joint resolution authorizing the President of the United States to designate the week of June 25, 1962, as "International Castings Week."

#### PLANNERS OF KENNEDY TRADE PROGRAM WOULD PROFIT FROM READING WASHINGTON'S FAREWELL ADDRESS

Mr. BETTS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.